

ACTIVITY
REPORT
2013

AMAZON
FUND



Message from the Minister of the Environment and the President of the BNDES

Dear reader,

This is the fifth activities report to be published by the Amazon Fund since it was created in 2008. Over these years, the Fund has injected an expressive amount of non-reimbursable financial resources into combating deforestation and into social inclusion, fostering the conservation and the sustainable use of biodiversity. Some R\$ 772 million has been approved for 50 projects with expressive impact on the Brazilian Amazon, efforts to control deforestation in other national biomes, and support to develop monitoring systems for the forest coverage in member countries of Amazon Cooperation Treaty Organization (ACTO), including the transfer of monitoring technology via satellite from the National Institute of Spatial Research (INPE), in an effort to strengthen South-South relations.

By the end of 2013, some R\$ 222 million had been disbursed to projects receiving support from the Fund, which includes support for sustainable production activities, environmental and land-title regularization, recovering degraded areas, implementing the Rural Environmental Registration (CAR), consolidating and maintaining protected areas, strengthening institutions by physically and operationally structuring governmental environmental management agencies and expanding know-how for better use of biodiversity in the region.

We would like to highlight some results, such as strengthening 33 environmental agencies; some 11,873 property requests to enroll in the CAR were protocolled, corresponding to 71,472 km² of rural land registered; some R\$ 38 million was disbursed to projects to combat forest fires and illegal burn-offs including training 1,633 civilians in firefighting techniques; some 8,121 km² of conservation units were created and 53,471 km² of protected areas, strengthening environmental management and territorial control; some R\$ 14 million was disbursed for scientific and technological research, engaging 141 researchers and technicians residing in the Amazon Region.

Fostering the development of economic activities that are suitable to the region, using fair and sustainable bases, is one of the main challenges the Amazon Fund and public policy have to face. To do so, projects submitted by states, municipalities and non-governmental organs focus on several production sectors, such as fishing, forest seeds, rubber and Brazil nuts, which benefit local populations. The Amazon Fund has already trained 6,358 individuals to carry out sustainable economic activities and 1,015 sub-projects (small and medium-sized) to foster sustainable production which received support through strategic partnerships.

Also in 2013, three projects receiving support from the Fund were completed. This annual report includes the activities carried out, assessments of the results from these three projects, as well as activities carried out in other supported projects.

Combating forest fires, of the utmost importance and in which the Amazon Fund has played a key role with support for the five states in the region, has been strengthened with the approval

of the project put forth by the National Center to Prevent and Combat Forest Fires (PREVFOGO/IBAMA), which is responsible for the policy on preventing and combating forest fires across the entire national territory.

In 2013, the Guidance Committee of the Amazon Fund (COFA), for the 2013-2014 period, defined a focus on priorities linked directly to the Prevention and Control Plan of Deforestation in the Legal Amazon (PPCDAM). It also established operational modalities aimed at expanding the scale of the Fund's efforts. These modalities resulted in a 75% increase in the portfolio of projects receiving support, which was at R\$ 440 million in December 2012, but rose to R\$ 772 million at the end of 2013.

To complement the efforts of the federal government towards environmental regularization of rural properties in the country, especially the purchase of high-resolution satellite images, six projects approved in 2013 aim at implementing the CAR, which adds to the five projects with activities in this same area that are already receiving support from the Fund.

The government of Norway and the BNDES signed a new contract which consolidated previous agreements. This made it possible to lengthen the term of cooperation to 2021 and to fully transfer the resources Norway had previously donated to the Fund, in the amount of R\$ 1.4 billion, which attests to the Fund's achievements. With this, the Amazon Fund ended the year with a total of R\$ 1.68 billion in donations fully paid in.

Combating illegal deforestation is of the utmost importance to Brazilian society. After dramatically reducing deforestation over the last ten years, it has become ever-more important to improve the instruments used to inspect and control deforestation; however, consolidating this will only be possible when combating deforestation is aligned with simultaneously fostering more efficient use of the land so that rural economic growth also protects the environment: when production is aligned with environmental protection.

Dialogue and interaction with the range of interested parties, as well as adamant principles to guarantee the transparency of the Amazon Fund's activities, have made it possible to register positive progress in terms of performance, which is reassuring for the Ministry of the Environment, the BNDES and all other partners involved in this initiative. It is hoped that the Amazon Fund will be more and more associated with an innovative agenda for sustainable development that is suited to the reality of the Amazon region, which fosters a low-carbon economy, and that contributes decisively to improving not only the standard of living and preservation, but also recovery and the rational use of its natural resources.

June 2014

Izabella Teixeira

MINISTER OF THE ENVIRONMENT

PRESIDENT OF THE GUIDANCE COMMITTEE OF THE AMAZON FUND

Luciano Coutinho

PRESIDENT OF THE BNDES

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INTRODUCTION

CONTEXTUALIZATION

Considered the largest reserve of biological diversity in the world, the Amazon is also the largest Brazilian biome in area, taking up almost half the nation's territory (49.29%).

The Amazon Basin corresponds to two fifths of South America's territory. Its area of approximately seven million square kilometers covers the largest hydrographic network on the planet, through which runs about one fifth of the freshwater on the world's surface.

FIGURE 1: LEGAL AMAZON (MAP OF THE STATES IN THE AMAZON BIOME)



Source: Instituto Brasileiro de Geografia e Estatística (IBGE).

Sixty per cent of the Amazon Basin is on Brazilian territory, where the Amazon Biome covers five federal states (Acre, Amapá, Amazonas, Pará and Roraima) entirely, a large part of the state of Rondônia (98,8%), more than a half of the state of Mato Grosso (54%), besides a part of the state of Maranhão (34%) and the state of Tocantins (9%), according to the Brazilian Institute of Geography and Statistics (IBGE).

TABLE 1: AMAZON – SOME CONCEPTS

	LOCATION	AREA	DEFINITION
AMAZON BASIN	Peru, Colombia, Ecuador, Venezuela, Guiana, Bolivia and Brazil (the states of Acre, Amazonas, Roraima, Rondônia, Mato Grosso, Pará and Amapá).	6.5 million km ²	Water resources that flow into the Amazon River, covering two fifths of South America and 5% of the earth's surface. It is the largest hydrographic network on the planet, responsible for about one fifth of the world's fresh water. About 3.8 million km ² of its total area is in Brazil.
AMAZON BIOME	In the states of Acre, Amapá, Amazonas, Pará and Roraima, and parts of the states of Rondônia, Mato Grosso, Maranhão and Tocantins.	4.2 million km ²	The Amazon Biome consists of regions that have similar climates, forest vegetation, fauna, as well as similar dynamics and ecological processes.
LEGAL AMAZON	In the states of Acre, Amapá, Amazonas, Mato Grosso, Pará, Roraima, Rondônia, Tocantins and a part of the state of Maranhão.	5.2 million km ²	Area established by the Brazilian government, including regions with identical economic, political and social problems. It comprises nine Brazilian states belonging to the Amazon Basin, that is, that contain parts of the Amazon Forest, but also other biomes.

THE AMAZON FUND'S OBJECTIVES

The Amazon Fund aims to contribute to reducing greenhouse gas emissions caused by deforestation and degradation of forests. It is an instrument to raise funds from voluntary contributions for non-reimbursable investments in efforts to prevent, monitor and combat deforestation, as well as fostering conservation and the sustainable use of the forest in the Amazon Biome.

Management of the Amazon Fund was assigned to the BNDES, which is responsible for raising and investing funds, following and monitoring the efforts of supported projects, rendering accounts and reporting on results obtained in a continuous and transparent fashion, aside from running the executive secretary of the Guidance Committee of the Amazon Fund (COFA).

To achieve its objectives, the Amazon Fund may support projects in the following areas, specified in Decree N° 6,527/08:¹

- i. management of public forests and protected areas;
- ii. control, monitoring and environmental inspection;
- iii. sustainable forest management;
- iv. economic activities developed through the sustainable use of the forest;
- v. ecological-economic zoning (ZEE), land-use planning and land-title regularization;
- vi. conservation and sustainable use of biodiversity; and
- vii. recovery of deforested areas.

The decree also establishes the use of up to 20% of the Fund's resources to develop monitoring and control systems for deforestation in other Brazilian biomes, as well as tropical forests in other countries.

¹ The complete text of the decree is in Annex 1 of this report.

Eligible initiatives for support from the Amazon Fund must be in accordance with the Sustainable Amazon Plan (PAS), the Prevention and Control Plan of Deforestation in the Legal Amazon (PPCDAM), the State Plans to Prevent and Combat Deforestation, the guidelines and criteria of COFA, as well as the operational policies of BNDES.

EVOLUTION, CHALLENGES AND PERSPECTIVES

On December 12, the second meeting of the Guidance Committee of the Amazon Fund (COFA) took place in Rio de Janeiro, at the BNDES' headquarters. Together with the event organized in March in Brasília, these two events were rather representative of how the Amazon Fund performed throughout the year. At these COFA meetings, important issues were considered, as well as discussion on essential matters related to the Fund's efforts.

At the first meeting on March 14, the Amazon Fund's focus for the 2013-2014 period was defined, characterized by a closer alignment with the Plan to Prevent and Control Deforestation in the Legal Amazon (PPCDAM) and to accurately define the Fund's priorities and focus areas. Besides this, projects should be aligned with one or two support modes, namely: (i) a call-to-submission, to be run by the BNDES or a partner institution, or (ii) a Structuring Project, which should cumulatively meet three criteria: contributing to implement public policy, offering a solution to diagnosed problems; and presenting a scale equivalent to the territory where activities will be developed.

The gain in scale, effectiveness and reach are permanent objectives of the Amazon Fund, and these definitions are focused on this objective. The first result is to significantly support environmental regularization in the states of the region by implementing the Rural Environment Registration (CAR), which is present in six of the approved projects in 2013. The activities of these projects, besides another five, pertain to this theme and are already underway, backed by the Fund.

At COFA's second meeting, the highlight was the preliminary proposal to hold a call-to-submission to develop and establish plans for Territorial and Environmental Management of Indigenous Land (PGTA), deriving from a joint effort between the National Indian Foundation (FUNAI), the BNDES and the Ministry of the Environment. Given the green light by COFA, the institutions focused on the joint task of completing the call-to-submission. This will make it possible to implement an important effort that will support the indigenous people in the Amazon, who play an important role in conserving the Biome and whose territories occupy more than 20% of the region.

Among the 14 approved projects in 2013, there is the first international project to receive support from the Amazon Fund, and which will be implemented by the Amazon Cooperation Treaty Organization (ACTO), with the participation of the National Institute for Spatial Research (INPE). One of its objectives is to help develop the forest monitoring capacity in countries that comprise the entity, whose territories cover approximately 99% of the Amazon Biome.

Concerning firefighting – an area in which the Amazon Fund stands apart due to support for five firefighter projects in the region's states –, there was an additional project approved in 2013, created by the National Center to Prevent and Combat Forest Fires (PREVFOGO). This specialized center, which is part of the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA), is responsible for the policy to prevent and combat forest fires across the entire national territory. It operates, among other things, through educational campaigns and monitoring hot spots.

Facing one of Amazon Fund's central challenges – to help develop an adequate economy for the region with sustainable and fair bases –, seven projects that reinforce support for sustainable production activities were approved. Proposed by states, city councils and NGOs, these projects focus on several production sectors, such as fishing, forest seeds, rubber and nuts, often involving partnerships with representative associations of the local populace, namely indigenous and riverbank communities, extractionists and small farmers.

Another important moment in 2013 was September 17, when a new contract between the BNDES and the Government of Norway was signed, consolidating the previous donation contracts to the Amazon Fund. Among the significant alterations are the expansion of cooperation validity between the governments to the end of 2021 and the full transfer of resources previously donated by Norway, made possible by the exemption of PIS-PASEP and COFINS' taxes on donations made to the Amazon Fund (Law N°. 12,810, from May 15, 2013, which altered Law N°. 11,828/2008). This made Norway's expressive R\$ 1 billion (US\$ 465 million) donation in October possible, providing unwavering acknowledgement of the importance of the Amazon Fund. With this, the Amazon Fund ended the year with R\$ 1.68 billion (US\$ 775 million) in donations, and a portfolio of 50 approved projects that total R\$ 772 million (329 million), engaging approximately 46% of the donated funds.

During the Oslo REDD Exchange 2013, an important meeting on REDD+ held up by Norway in October, the Fund's team was able to share its experience, as well as learning of initiatives in other countries and multilateral institutions when implementing REDD+. At that time, several meetings were held, with representatives from the government, parliament, the media and Norwegian civil society, directly revealing what has been done with the funds donated, rendering accounts and also showing appreciation and respect for the important role Norway has played in climate financing. In this agenda in Oslo, it is important to cite the event entitled Deforestation and REDD+ in Brazil, What's Going On?, promoted by the Center for International Climate and Environmental Research (CICERO), an influential center for environmental and climatic research. The main debate centered around the Amazon Fund's and Brazilian efforts to reduce deforestation, and specialists and representatives for Brazil's civil society took part.

Also on the international level, it is imperative to mention the advancements in REDD+ in the most recent United Nations' Framework Convention on Climate Change (UNFCCC COP), held in Warsaw, in Poland. After lengthy negotiations, important decisions were taken, establishing guidance concerning institutional arrangement, financing and the implementation of safeguards and mechanisms to monitor, report and verify (MRV) reductions in greenhouse gas emissions.

Expanding the Amazon Fund's activities and support portfolio, as well as transforming deforestation dynamics in the Amazon Region, are always imposing new challenges on efforts to reach objectives. In 2013, the INPE, responsible for monitoring deforestation, showed an increase in comparison to the previous year, albeit the smallest since measurements started in 1988. Some hypotheses on the cause of this setback are being assessed by the Brazilian government and NGOs working on this issue, and, in accordance with the involved processes, they will serve to improve instruments to inspect and control deforestation, so as to maintain the same path observed since 2004.

The Amazon Fund team maintains constant contact with the team from the Ministry of the Environment, so that the several technical issues surrounding this matter are better understood and

disseminated, enabling a more effective alignment between policies, players and instruments. One example of this is the interaction concerning the Rural Environmental Registration that involved, among other things, training the BNDES' technicians on the workings of the National System for Rural Environmental Registration (SICAR) and defining more detailed parameters for the projects in this field.

Furthermore, it is also worth noting the technical cooperation with the German agency GIZ, which has provided additional support in know-how by supporting the Fund's team and those responsible for implementing projects with specialists, among other expected activities established in this cooperation effort.

In 2013, the Amazon Fund concluded its three first projects, in addition to another 18 projects that had advanced more than 50% in terms of financial execution. Results achieved by completed projects, as well as the activities currently underway, are one of the team's focus points. This is in accordance with the fund's commitment to transparency, and also favors social control through benefits brought to the public by efforts in the project. For such, the section that presents the project was revamped on both the website and in this annual report, offering additional information, such as contextualization of the project, activities conducted, as well as the intervention logic. In the finalized projects, indicators of results and other considerations on implementation are also presented.

Fostering structuring projects, according to the focus points defined by COFA in March 2013, continue to play a strategic role in the search for solutions to the main challenges in the region. These solutions are often beyond the intervention reach of any single project, but represent a step towards solving problems. To advance in the region's land-title regularization, for example, is one of the challenges under debate that require the most attention, and the complexity should not inhibit us from facing it as an issue to solve.

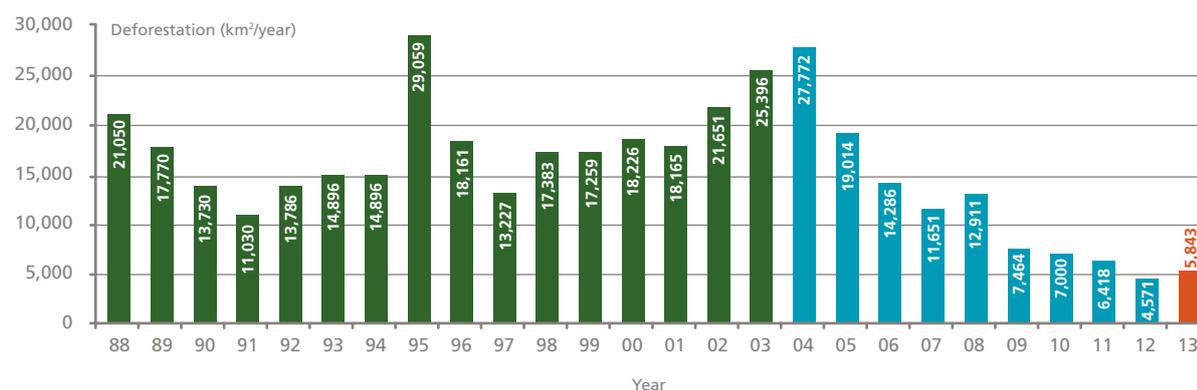
Other areas for the Fund to make efforts, which have already seen significant advances, but are in need of a proactive approach to remain strong, include support for other international projects, fundraising and establishing new partnerships to foster calls-to-submission for projects based on the focus points defined by COFA.

Dialogue and interaction, a priority within COFA and PPCDAM, together with the donors' diligence, GIZ' technical support, and firm precepts to guarantee the transparency of the Fund's activities, have made it possible to maintain a positive path that has satisfied the BNDES, the Ministry of the Environment and all other partners in this innovative initiative. The achieved results mainly increase responsibility and awareness that a lot more can be and should be done for the Amazon Forest and its inhabitants.

DATA ON DEFORESTATION IN THE LEGAL AMAZON

Preliminary data from INPE indicate that the deforestation rate in the Amazon, from August 1, 2012, to July 31, 2013 (forest year 2013), was 5,843 km².

As shown in Chart 1, since 2004, the deforestation rates in the Amazon have consistently on the wane. The average rate from the last five years (6,259 km²) is considerably lower than the previous five-year period (17,127 km²).

CHART 1: ANNUAL DEFORESTATION IN THE LEGAL AMAZON, PER CLEAR CUTS (IN KM²)

Source: PRODES/INPE.

In Chart 1, the 2013 deforestation rates can be seen in the states that comprise the Legal Amazon, in comparison to the deforestation rates from the previous year.

TABLE 2: DEFORESTATION PER STATE

STATES	DEFORESTATION 2012 (KM ²)	DEFORESTATION 2013 (KM ²)	% DEFORESTATION VARIATION 2012-2013
Acre	305	199	(35)
Amazonas	523	562	7
Amapá	27	11	(59)
Maranhão	269	382	42
Mato Grosso	757	1,149	52
Pará	1,741	2,379	37
Rondônia	773	933	21
Roraima	124	185	49
Tocantins	52	43	(17)
Legal Amazon	4,571	5,843	28

Source: PRODES/INPE.

Although there has been an increase in deforestation rates in forest year 2013, as was previously mentioned, deforestation registered this year was the second lowest since the INPE started monitoring vegetal coverage in the Amazon.

Notwithstanding, it is understood that it is necessary to assess the dynamics that brought about the increase in deforestation rates in 2013, as well as an additional effort to guarantee progressive falls in deforestation rates in the Amazon Biome.

For such, the federal government and state governments have intensified inspection in the Amazon, especially in regions that have the highest rates of deforestation, while continuing efforts to generate jobs and revenue by developing sustainable forest-based production activities, as well as land-use planning.

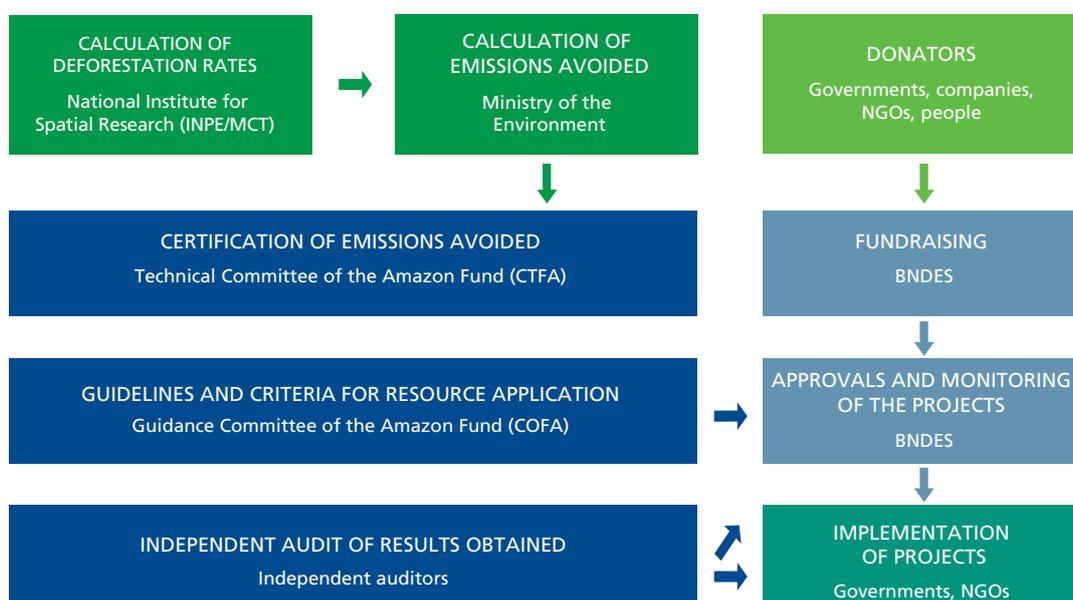
GOVERNANCE AND FUNDRAISING

GOVERNANCE OF THE AMAZON FUND

The Amazon Fund's governance model was established to foster the participation of the several players involved in the issue, contributing to reaching its goals and purposes.

The Amazon Fund has a governance structure comprising two formal committees, on which sit representatives of not only the federal government, but also of state governments in Brazil's Legal Amazon, and civil society (non-governmental organizations, social movements, indigenous people and the business sector). The scientific community also takes part, while independent audits are defined to verify the adequate allocation of donated funds, as illustrated in Figure 2.

FIGURE 2: GOVERNANCE OF THE AMAZON FUND



Technical Committee of the Amazon Fund

Instituted by MMA Resolution N°. 345, of October 22, 2008, the Technical Committee of the Amazon Fund (CTFA) is charged with the task of attesting the carbon emissions deriving from deforestation calculated by the Ministry of the Environment. For this, both the calculation methodology for the deforestation area and the amount of carbon per hectare used to calculate the emissions must be assessed.

The CTFA normally meets once a year and comprises specialists with notable technical-scientific knowledge, appointed by the Ministry of the Environment after consulting the Brazilian Forum for Climate Change. The term of office of the members is three years and is renewable once for an equal period.

Participation in the CTFA is considered of public interest and is not remunerated.

Meeting of the Technical Committee of the Amazon Fund

In November 2013, the sixth meeting of the CTFA was held, in which members established the estimated amount of reduced emissions related to forest year 2013, corresponding to 580.2 million tons of CO₂, and the maximum value for the Amazon Fund fundraising efforts related to this period, US\$ 2,900,898,000.00.

At this meeting, improving the current methodology to calculate avoided emissions was also discussed with the aim of substituting the average value used (132.3 tC/ha) with a regional biomass density map. Another topic up for discussion was the definition of additional attributions for the committee. These two topics were left to be considered at a later time.

Since the Amazon Fund was created, the CTFA has attested the following emissions reductions, presented in Table 3.

TABLE 3: ANNUAL MEETINGS OF THE AMAZON FUND'S TECHNICAL COMMITTEE

MEETING	DATE	REDUCTION YEAR	ESTIMATED EMISSIONS REDUCTION (IN MILLIONS OF TONS OF CO ₂)
1 st	11.10.2008	2006	200.0
		2007	303.0
2 nd	12.1.2009	2008	245.7
3 rd	12.13.2010	2009	445.9
4 th	10.20.2011	2010	462.9
5 th	11.14.2012	2011	490.2
6 th	11.26.2013	2012	580.2

Guidance Committee of the Amazon Fund

The Guidance Committee of the Amazon Fund (COFA) is charged with establishing the guidelines and the resource allocation criteria, as well as approving information on said allocation and the Amazon Fund's Annual Report.

During 2013, the COFA met in two ordinary sessions. The meetings are consigned in Records of Technical Referrals (RET), which, after approval by all members, are published on the Amazon Fund's website. In addition to the matters suggested by committee members, in both meetings an assessment of the Fund's portfolio was presented by the BNDES.

13th meeting of the Guidance Committee of the Amazon Fund

The first meeting of the year was held on March 14, in Brasília, opened by the minister of the Environment, Izabella Teixeira, making it the 13th meeting of this committee since its creation in October 2008. The Amazon Fund's focus points for the 2013-2014 period were approved and are explained in the next subsection, together with the operational modalities that establish new criteria for selecting projects, namely, via structuring projects or calls-to-submission.

These definitions make it possible to prioritize issues and sub-issues for efforts, besides reserve support for local companies through calls-to-submission for projects, which may be held by the Amazon Fund itself or its partners.

COFA's 13th meeting also saw the renewal of its representatives, appointed by the institutions that comprise the committee. Mandates are two years long, although an extension for the same period of time is possible.

14th meeting of the Guidance Committee of the Amazon Fund

The second meeting in 2013 was held at the BNDES' headquarters in Rio de Janeiro, on December 12. An assessment of the year's activities was carried out, highlighting the evolution in fundraising and project support. The election for the presidency of the committee also took place, and the Ministry of the Environment was unanimously re-elected to the post.

Another important topic in the meeting was the presentation, and COFA's preliminary approval, of a proposal for a call-to-submission to design and implement PGTA's, within the scope of the National Policy for Territorial and Environmental Management of Indigenous Land (PNGATI).

Focus points for the Amazon Fund's support in the 2013-2014 period

In 2013, COFA defined new focus and support modalities for the 2013-2014 period, which were integrated into the guidelines and criteria for allocating the Amazon Fund's resources. This document is annexed and contains COFA's normative considerations on guiding criteria, minimal conditions for projects, resource-allocation modalities, restrictions when using resources, equity criteria in allocating resources and limitations to allocating resources.

Below, focus for the Amazon Fund's support in the 2013-2014 period is highlighted:

Amazon Biome

MONITORING AND CONTROL

ENVIRONMENTAL REGULARIZATION AND RURAL ENVIRONMENTAL REGISTRATION (CAR)	<p>To foster the environmental regularization process for rural properties and bailments (temporary land possession), by enrolling on the Rural Environmental Registration (CAR) and strengthening state CAR management systems, aimed at integration into the Rural Environmental Registry System (SICAR).</p> <p>Support to implement the CAR will be a priority offered through operations with states, which may establish partnerships or contracts within the scope of Law N°. 8,666/1993 to implement the necessary efforts. It is up to the Ministry of the Environment to define minimum requirements to create state CAR systems. As a priority, it will be up to the states to contract financial support from the Amazon Fund to implement these efforts and take direct responsibility for implementing them, as well as rendering the corresponding accounts to the BNDES.</p>
NATIONAL SYSTEM TO CONTROL FOREST PRODUCTS	To structure the national system to control the origin of wood, coal and other forest products or sub-products and their integration with the Legal Amazon state systems and with the SICAR.
ENVIRONMENTAL INSPECTION AND POLICING	To strengthen the inspection structures as well as the federal and state governments' environmental policing, establishing criteria that ensure joint efforts.
MUNICIPAL ENVIRONMENTAL MANAGEMENT	<p>To strengthen municipal environmental management, aiming at implementing the CAR and/or decentralizing environmental licensing for local impact to which it has been legally delegated.</p> <p>Support to structure municipal environmental agencies will be offered exclusively through operations with states, which will be responsible for bringing these demands together, exerting efforts to cover all municipalities in their territory, through a participative process for project construction.</p>
FOREST FIRES AND UNAUTHORIZED BURN-OFFS	To support efforts against forest fires and unauthorized burn-offs presented by government agencies with expertise in the Legal Amazon.
MONITORING	Support to monitor deforestation, forest degradation and burn-offs in the Amazon Biome, primarily on indigenous land located areas with high rates of deforestation.

FOSTERING SUSTAINABLE PRODUCTION ACTIVITIES

GREEN SETTLEMENT PROGRAM	To implement the "Green Settlement Program" (Program for Prevention, Combat and Alternatives to Illegal Deforestation in the Amazon Settlements – PPCADI – Amazon), primarily in: (i) settlements located in municipalities the Ministry of the Environment placed on the list of priority cities to combat deforestation and (ii) the settlements with more substantial forest coverage.
SUSTAINABLE FOREST MANAGEMENT	Support for sustainable timber management.
EXTRACTION ECONOMY	Support given to the extraction economy in conservation units for sustainable use and their buffer zones in support of the socio-biodiversity national plan, prioritizing (i) the extraction reserves (RESEX) where there are high deforestation rates; (ii) conservation units in the Green Assistance Program; and (iii) conservation units located in the municipalities included on the list of Ministry of the Environment priority cities for efforts towards combating deforestation.
ENVIRONMENTAL REGULARIZATION PROGRAMS	Support to recover permanent preservation areas and legal reserves, aimed at implementing the Environmental Regularization Programs (PRAs) for bailments (temporary land possession) and rural properties.
FAMILY FARMING	Support for sustainable production activities in communities comprising, mainly, family farmers.

LAND-USE PLANNING AND LAND-TITLE REGULARIZATION

LAND-TITLE REGULARIZATION	<p>Support for land-title regularization of public lands, with priority for areas with high rates of deforestation, as well as digitalization of land titles and construction or consolidation of state land-title maps, and the computerization of property registration and records of state land agencies.</p> <p>Support will not be available for indemnities for expropriation.</p>
INDIGENOUS LAND	Designing and implementing territorial and environmental management plans for indigenous land, aligned with the National Policy of Territorial and Environmental Management of Indigenous Land (PNGATI).
PROTECTED AREAS	Support to create and consolidate protected areas.

SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FOCUS

NEW SOCIO-BIODIVERSITY PRODUCTS	Support for scientific and technological research focused on biodiversity product sectors, including the development of new products deriving from the Amazon's biodiversity – pharmaceuticals, plant health care, medicines, cosmetics and other products of interest to the chemical and food industries.
SUSTAINABLE PRODUCTION ACTIVITIES	Support for scientific and technological research aimed at timber forest management, recovering degraded areas, farming-cattle-raising-forestry integration (ILPF), sustainable fishing and aquaculture.
ECO-SYSTEMIC SERVICES	Support to develop methodologies to measure the stock and storage capacity of the Amazon Forest's biomass carbon, as well as to measure other eco-systemic services.
NATIVE FORESTRY	Support to develop technology for native species forests, including production and storage of seeds and saplings.
MONITORING AND DEFORESTATION CONTROL SYSTEMS	Support to develop technology systems to monitor and control deforestation and process surface images of Earth to map out vegetation so as to support forest management.
NEW STANDARDS FOR SUSTAINABLE DEVELOPMENT	Support for socio-economic research with participative methodologies for new and sustainable development standards in the region.

Operational modalities

The focuses defined below will be supported through direct presentation of structuring projects or projects selected through calls-to-submission held directly by the Amazon Fund (BNDES) or through partner institutions.

STRUCTURING PROJECT

A structuring project cumulatively meets the following criteria:

- Contributes to implementing a public policy.
- Presents a solution regarding the problem in question.
- Has appropriate scale across the territory (whenever the project develops its efforts in the territory).

Item number (iii) is met when, for example, the project's efforts cover, in their entirety, a set of municipalities, settlements or protected areas, a state planning region, the surrounding areas of the Growth Acceleration Program (PAC) etc. The definition of territorial scale should be in accordance with the characteristics of the project and its respective public policies.

Structuring projects can be proposed by (i) federal government agencies, (ii) state government agencies, or (iii) private non-profit organizations.

In the case of scientific and technological development projects, structuring projects can be proposed by scientific and technological institutions, and/or their support foundations and/or civil society organizations whose purpose is thus defined in its articles or association or statutes, or proposed by the federal or state government agencies. Within the scope of scientific and technological development, initiatives that target the development of innovative strategies to combat deforestation may also be supported in the direct modality ("across-the-counter").

CALLS-TO-SUBMISSION

Besides calls-to-submissions held directly by the Amazon Fund (BNDES), support for partner institutions will be admissible to foster calls-to-submissions for projects. Partner institutions, understood as third-sector entities and those from federal and state governments, must prove experience, know-how and operational capacity to offer quality and scale to calls-to-submission.

The Amazon Fund will be permanently open to presentations, by partner institutions, to request financial help seeking support for calls-to-submissions for projects, focusing on the efforts prioritized for the 2013-2014 period.

Calls-to-submission directly held by the Amazon Fund or indirectly supported through partner institutions will be used in advertising and released on the Amazon Fund's website or those of responsible partner institutions, as may be the case.

Support may also target studies and research in the areas covered by the Amazon Fund, chosen by the BNDES, though calls-to-submission, directly or indirectly enabling the creation of projects that may lead to significant public and private investments.

To complement, direct support ("across-the-counter") has been authorized for the second phase of projects previously approved by the Amazon Fund, or for those completed or those in the final stages that aim to continue and expand results, primarily considering those that match the focuses established for the 2013-2014 period.

In the case of projects outside the Amazon Biome, the focuses of operations were established in the following manner:

OTHER BRAZILIAN BIOMES

CAR and PRA

The following will be supported: (i) priority projects proposed by state governments with the presence of xeric shrub land and/or hinterland, aimed at fostering environmental regularization of bailments (temporarily owned land) and rural properties, by enrolling on the CAR, through adherence or enrollment on the SICAR and (ii) the development of monitoring systems for the PRA.

OTHER TROPICAL COUNTRIES

DEFORESTATION MONITORING SYSTEM IN OTHER TROPICAL COUNTRIES

Support from the Amazon Fund is still authorized for projects that contribute to creating or improving monitoring systems for forest coverage in other tropical countries, according to current guidelines and criteria.

FUNDRAISING

Rules for fundraising

Fundraising for the Amazon Fund is conditioned to reductions in greenhouse gases emissions deriving from deforestation, that is, Brazil needs to prove reductions in deforestation in the Amazon to carry out new fundraising efforts possible.

To calculate the limit on annual fundraising for the Amazon Fund, a simple and conservative method was chosen to assure that the amounts of reduced emissions are not overestimated. Briefly, the calculation for the amount of reduced carbon emissions deriving from deforestation result from the difference between the historical average rate of deforestation and the deforested area effectively measured in the assessed year, multiplying this result by the amount of carbon present in the biomass, in tons of carbon per hectare. Thus, the calculation is represented by the following equation:

$$ED = (TDM - TD) * tC/ha$$

ED = Reduced carbon emissions deriving from deforestation, in tons of carbon (tC)
 TDM = Average deforestation rate (in hectares)
 TD = Annual deforestation rate for the period (in hectares)
 tC/ha = Tons of carbon per hectare of forest

The deforestation rate in the Amazon Biome is measured by the INPE,² a public agency linked to the Ministry of Science, Technology and Innovation. The amount of carbon per hectare contained in the forest biomass is calculated according to the methodology defined by the Ministry of the Environment. Below is some information regarding these variables.

Annual deforestation rate measured by the INPE

Since 1988, the INPE has used an efficient system to monitor forest coverage in the Brazilian Amazon, which allows the estimation of the annual rates of deforestation for the region.

As of 2002, these estimates have been calculated by using a digital image classification system, in accordance with the INPE's PRODES (Project for Monitoring Deforestation in the Legal Amazon) Methodology, which uses sensors capable of capturing all deforestation beyond 6.25 hectares, a characteristic that has made the system reliable and promoted international recognition.³

Rates are annually calculated for periods from August 1 to July 31. Thus, the 2013 reference rates, for example, involve deforestation identified from August 1, 2012, to July 31, 2013.

² The INPE's mission is to produce science and technology in the spatial and terrestrial environment areas.

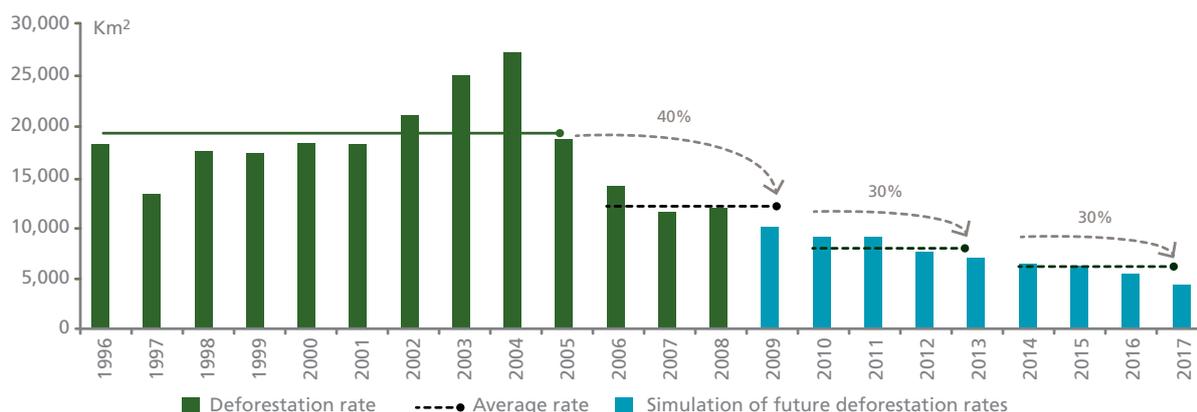
³ According to CTFA, the error margin of PRODES is approximately 8%.

Historical average rate of deforestation

The annual deforestation rates to be applied when calculating the reduced emissions are compared to the average deforestation rates in ten-year periods. These periods are updated every five years, in such a way that, over the 2011-2015 period, the annual deforestation rates will be compared to the average deforestation rate from 2001 to 2010 – average deforestation rate (TDM) 2001-2010. In the subsequent period, from 2016 to 2020, the deforestation rates will be compared to the averages from 2006 to 2015.

Within this context, the National Plan on Climate Change (PNMC),⁴ released by the Brazilian government in December 2008, plays an important role. It establishes goals that, once reached, will correspond to the reduction of greenhouse gases emissions, as well as other environmental gains and socio-economical benefits. These goals were determined by the Inter-ministerial Committee on Climate Change, with the collaboration of other collegiates and instances, among them, the Brazilian Forum for Climate Change and the Inter-ministerial Committee for Global Climate Change. In the PNMC, four-year targets to reduce deforestation in the Amazon were established, which are shown in Chart 2.

CHART 2: FOUR-YEAR TARGET TO REDUCE DEFORESTATION IN THE AMAZON IN THE NATIONAL PLAN ON CLIMATE CHANGE



Source: National Plan on Climate Change (PNMC).

Two objectives established in the PNMC have already been achieved, in accordance with the PRODES data presented in Table 2. For the 2006-2009 period, the commitment taken on by the Brazilian government was to reduce the average deforestation rate related to the 1996-2005 period by 40%. The reduction rates verified were 41%. For the four-year periods 2010-2013 and 2014-2017, the established target was to reach 30% reduction related to the immediately previous four-year period. In the 2010-2013 period, a reduction of a further 48% was verified.

The Amazon Fund is a great innovation related to public policies, because it represents the recognition of the need for a financial instrument that is capable of stepping up to the challenges to prevent and control deforestation. With this, its operations collaborate to achieving the targets established by the PNMC, in particular the permanent reduction in deforestation rates and prevention of losses in forest coverage until 2017.

⁴ The PNMC can be consulted in full in the site of the Ministry of Environment: <www.mma.gov.br>.

Carbon estimates in forest biomass

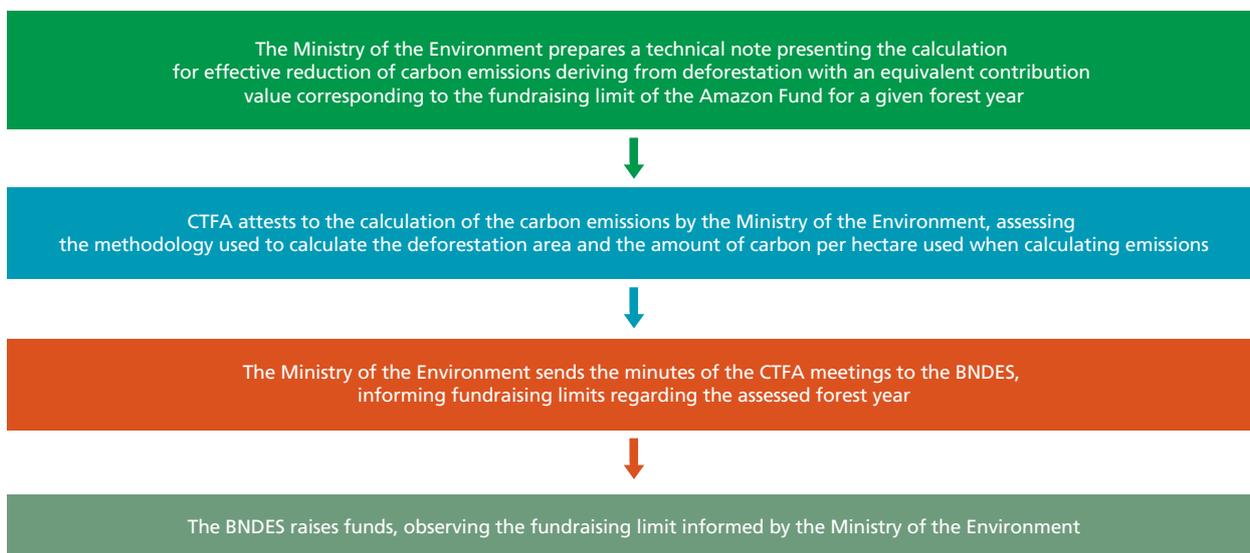
Up to forest year 2010, to calculate the limit amounts, the Amazon Fund adopted the value of one hundred tons of carbon per hectare (tC/ha) of biomass, equivalent to 367 tons of carbon dioxide equivalent per hectare (tCO₂/ha), a conservative amount compared to the data in the literature (between 130 tC/ha and 320 tC/ha), although suitable to simplify calculations and understand the proposed mechanism. However, as recommended by the CTFA, starting from forest year 2011, this amount was altered to 132.2 tC/ha.

The standard price of US\$ 5.00/tCO₂ (five US dollars per ton of carbon dioxide) is used. Carbon estimates can vary according to the location and characteristics of the tracked forest area, and PRODES does not yet record forest degradation data. With this, results on reduced emissions can still be changed by implementing these two variables, which should occur when the National Forest Inventory data are available, and when future monitoring systems are operating.

The Ministry of the Environment is responsible for defining the methodology to calculate the limit of annual fundraising for the Amazon Fund, and it is up to CTFA specialists to attest to the effective reduction in carbon emissions from deforestation in a given period, assessing the methodology to calculate the deforestation area and the amount of carbon per hectare used to calculate emissions. Based on data concerning reduced emissions, calculated by the Ministry of the Environment and validated by the CTFA, the BNDES is authorized to receive contributions and issue acknowledgement diplomas to donators to the Fund.

In Figure 3, the flow of fundraising for the Amazon Fund can be seen.

FIGURE 3: THE FLOW OF FUNDRAISING FOR THE AMAZON FUND



Source: BNDES.

Formalized donations

Based on the annual fundraising limits attested by the CTFA, the Amazon Fund receives donations from foreign governments and companies and could start receiving donations from people, non-governmental organizations and multi-lateral institutions. Up to the end of 2013, donation

commitments totaling R\$ 1,724,571,427.68 (US\$ 792,065,106.19) were formalized. Of this total, some R\$ 1,685,489,827.68 (US\$ 775,436,524.66) was already deposited into the Amazon Fund's account.⁵

The government of Norway was the first and, so far, the largest donator of resources to the Amazon Fund and has fully paid in everything that was agreed upon in donation contracts celebrated with the BNDES (NOK⁶ 4,550,000,000.00), equivalent to R\$ 1,653,944,934.43 (US\$ 758,589,348.12). This important partner has expressed the intention to donate a total of US\$ 1,000,000,000.00 by the year 2015, on the condition that deforestation in the Amazon Biome is reduced.

In addition to this, starting from 2010, the Amazon Fund received support from the government of Germany through KfW Entwicklungsbank, which formalized a commitment of EUR⁷ 21,000,000.00, equivalent to US\$ 28,445,914.42.⁸ By the end of 2013, some R\$ 22,598,700.00 (US\$ 11,817,332.89) of this total had already been deposited into the Fund's account.⁹

In 2011, the Amazon Fund started a new partnership with its third donator, Petróleo Brasileiro S.A. (Petrobras), the first Brazilian company to contribute to the fund. By 2013, it contributed the amount of R\$ 8,946,193.25, equivalent to US\$ 5,029,843.65.

As previously established in Decree N°. 6,527/2008, the BNDES is obliged to maintain resources from donations separate. A sum of 3% is earmarked to cover operating costs and other expenses related to the Amazon Fund, in addition to contracting audits.

The government of Norway

The BNDES celebrated a donation agreement on March 25, 2009, with Norway's Ministry of Foreign Affairs, which establishes a donation to the Amazon Fund in the amount of up to NOK 700,000,000.00 (US\$ 119,555,204.58).

In accordance with the contract, values for the donations that could be requested in the subsequent years must be specified in amendments proposed by the donator. Five amendments to the Donation Agreement were issued and signed, through which the government of Norway pledged additional donations of up to NOK 2,850,000,000.00 (US\$ 475,368,022.43).

Amendment and Consolidation Contract

On September 16, 2013, the BNDES and the government of Norway signed a new contract (Amended and Restated Donation Agreement) aimed at consolidating the previous agreements on donations from Norway to the Amazon Fund, expanding the validity of this cooperation effort.

The new contract establishes that donated resources be used in Amazon Fund projects by the end of 2020. The instrument establishes the possibility of a full transfer of resources already donated to the Fund by Norway, which was made possible due to the exemption of Brazilian PIS-PASEP and COFINS taxes on the donations to the Amazon Fund instituted by Law N°. 12,810, of May 15, 2013, which altered Law N°. 11,828/2008.

⁵ Values converted to US\$ using the average exchange rate at the entry date of the funds disclosed by Brazil's Central Bank.

⁶ NOK, kr or kr\$ – Norwegian currency.

⁷ EUR or Euro.

⁸ Value comprises: (i) contracted donations already received and converted to US\$ on the dates the BNDES received the funds, as previously expressed in the donation diplomas and (ii) the balance of receivable contracted donations at the exchange rate on December 31, 2014, disclosed by Brazil's Central Bank.

⁹ At the end of December 2013, the KfW informed the BNDES of a US\$ 11,120,181.53 transfer. This amount reached the fund on January 6, 2014.

Amendment to the Consolidated Donation Contract

On December 10, 2013, the first amendment to the consolidated donation contract was issued and signed. The government of Norway committed to making an additional donation of NOK 1,000,000,000.00 (US\$ 163,666,121.11).

The government of Germany

Within the scope of official financial cooperation between the governments of Germany and Brazil, on December 7, 2010, a contract between KfW Entwicklungsbank and BNDES was signed for the financial contribution to the Amazon Fund. On the same date, details for performing the contract through a separate agreement were also adjusted and settled. The amount of the contract is up to EUR 21,000,000.00 (US\$ 28,445,914.42).

Petróleo Brasileiro S.A.

The BNDES and Petrobras, in 2012, signed six contracts for donations to the Amazon Fund, valued at R\$ 7,929,444.23 (US\$ 4,534,515.00). In the year of 2013, three more donation contracts were signed (on February 19, March 22 and September 24), totaling R\$ 1,016,749.02 (US\$ 495,328.65). All up, Petrobras donated the amount of R\$ 8,946,193.25 (US\$ 5,029,843.65).

The company's donation is in keeping with IBAMA's requirement that Petrobras should implement projects to neutralize carbon in relation to greenhouse gas emissions caused by its activities. Such emissions are caused by the company's excessive gas burning when producing and delivering oil and natural gas.

Donated resources are exclusively earmarked to finance projects within the scope of the Amazon Fund according to its rules, policies, guidelines and criteria. It is up to the BNDES to analyze, approve and contract projects, as well as follow-up, monitoring and accountability.

As established by the BNDES' Board of Directors, through Decision N°. 832/2012-BNDES, donations to the Amazon Fund raised from public sources controlled by the federal government should be separated so resources are not earmarked to projects carried out by the federal government.

Diplomas: acknowledgement of donators' contributions

Upon every donation to the Amazon Fund, the BNDES issues diplomas informing the amount of the financial contribution and its equivalence in tons of carbon. These diplomas are nominal, non-transferable and do not generate rights or credits of any nature. With this, the diploma identifies the donator and the portion of their donation towards the efforts to reduce carbon dioxide emissions. Table 4 presents data on resources already raised.

TABLE 4: RESOURCES RAISED

DONATOR	INSTALLMENT	ENTRY DATE OF RESOURCES (DAY.MONTH. YEAR)	ORIGINAL AMOUNT DONATED	AMOUNT IN R\$ (BRL)*	AMOUNT IN US\$ (USD)*	CARBON DIOXIDE TONS (TCO ₂)	CARBON TONS (TCO)	YEAR OF REDUCTION
Norway	1 st	10. 9.2009	NOK 123,437,000.00	36,448,350.22	20,960,578.70	4,192,115.7	1,142,265.9	2006
Norway	2 nd	8.9.2010	NOK 169,262,000.00	49,600,536.48	28,283,364.59	5,656,672.9	1,541,327.8	2006
Norway	3 rd	3. 23.2012	NOK 261,273,000.00	82,144,231.20	45,149,077.28	9,029,815.0	2,462,677.0	2006
Norway	4 th	10. 2.2012	NOK 101,774,000.00	36,109,415.20	17,817,731.77	3,563,546.0	971,876.0	2006
Norway	5 th	6. 26.2013	NOK 44,254,000.00	16,139,433.80	7,344,452.24	1,468,890.0	400,606.0	2006
Norway	6 th	6.26.2013	NOK 64,465,000.00	23,510,385.50	10,698,696.47	2,139,739.0	583,565.0	2009
Norway	7 th	10.4.2013	NOK 2,785,535,000.00	1,024,642,336.54	464,669,325.96	26,207,821.0	7,147,588.0	2009
						33,363,022.0	9,099,006.0	2010
						33,363,022.0	9,099,006.0	2011
Norway	8 th	12.23.2013	NOK 1,000,000,000.00	385,350,245.49	163,666,121.11	32,733,224.0	8,927,243.0	2012
KfW Germany	1 st	12.29.2010	EUR 3,000,000.00	6,644,100.00	3,952,500.00	790,500.0	215,395.0	2009
KfW Germany	2 nd	1.8.2013	EUR 6,000,000.00	15,954,600.00	7,864,832.89	1,572,967.0	428,991.0	2009
Petrobras	1 st	10.14.2011	BRL 1,765,983.70	1,765,983.70	1,016,335.00	203,267.0	55,436.0	2006
Petrobras	2 nd	10.14.2011	BRL 4,114,671.55	4,114,671.55	2,368,020.00	473,604.0	129,164.0	2006
Petrobras	3 rd	10.14.2011	BRL 1,435,257.60	1,435,257.60	826,000.00	165,200.0	45,054.0	2006
Petrobras	4 th	1.23.2012	BRL 156,626.00	156,626.00	88,750.00	17,750.0	4,841.0	2006
Petrobras	5 th	4.26.2012	BRL 282,584.58	282,584.58	150,255.00	30,051.0	8,196.0	2006
Petrobras	6 th	7.13.2012	BRL 174,320.80	174,320.80	85,155.00	17,031.0	4,645.0	2006
Petrobras	7 th	2.20.2013	BRL 327,834.78	327,834.78	167,288.25	33,457.7	9,124.8	2006
Petrobras	8 th	3.25.2013	BRL 357,002.13	357,002.13	177,383.55	35,477.0	9,675.0	2006
Petrobras	9 th	9.25.2013	BRL 331,912.11	331,912.11	150,656.85	30,131.0	8,218.0	2006
Total				1,685,489,827.68	775,436,524.66	155,087,303.3	42,293,900.5	

* Historical amounts in Brazilian reais and dollars, as stated on the diplomas issued by the Amazon Fund.



THE AMAZON FUND IN THE BNDES

ABOUT US

The Brazilian Development Bank (BNDES), a federally-owned company founded in 1952, is the main instrument for long-term funding for investments in all segments of the Brazilian economy, operating in social, regional and environmental areas.

The BNDES' mission is to foster sustainable development in the country. Throughout its history, the Bank has a legacy of expressive results in favor of economic and social development in Brazil, and has introduced innovative management practices, as well as social and environmental responsibility.

In fulfilling its mission, the main goal is to create the right conditions and instruments related to financial support in order to meet the challenge of development. Carrying out the assorted range of activities requires permanently training its employees, hired after passing a nationwide, civil servant recruitment exam.

Decisions at the BNDES are grounded on technical guidelines and subject to auditing and control by the agencies established for this purpose, including accountability mechanisms. The BNDES is also a signatory of the Green Protocol and expresses its Social and Environmental Policy publicly and transparently in the pursuit of excellence in its corporate responsibility.

For more information on these topics:

- Socioenvironmental Policy: The BNDES' website in english¹⁰ > Social and Environmental Responsibility > Socioenvironmental Policy
- Green Protocol: The BNDES' website in portuguese¹⁰ > *Áreas de Atuação* [Areas of Activity] > *Meio Ambiente* [Environment] > *Nesta Seção* [In this Section] > *Outros compromissos* [Other commitments] > *Protocolos Ambientais* [Environmental Protocols]

¹⁰ <www.bndes.gov.br>.

In its 2009-2014 Corporate Planning, the BNDES elected innovation, local and regional development, as well as social and environmental development as the most important aspects of economic development within the current context. These should be fostered and emphasized in all projects the Bank supports. Thus, BNDES reinforces its historical commitment to developing society as a whole.

OPERATIONAL FLOW OF PROJECTS

Eligibility criteria

To effectively request financial support from the BNDES for a project, it is necessary to fulfill a few operational stages. The BNDES' operational cycle involves analysis, follow-up procedures and superior-level decisions.

The projects supported by the Amazon Fund are of a non-reimbursable nature, that is, the executor or beneficiary of the project does not need, in these cases, to return the funds made available. Projects supported by the Amazon Fund follow the standard rules and operational procedures adopted in all projects financed by the BNDES.

Financial support for a project, whether it is reimbursable or not, is only approved by the BNDES if the undertaking proves important. In the Amazon Fund's case, to be approved, projects need to be shaped into concrete efforts that demonstrate their contributing potential to reduce deforestation and forest degradation.

The planned efforts should show they are consistent not only with the proposed goal, but also the budget and the project's implementation schedule. For such, it is fundamental for there to be synergy and logical sequencing between the proposed efforts. Furthermore, and preferably, efforts should be coordinated and integrated with those in other projects or programs with the same goals.

Applicants need to prove they have technical and managerial skills to manage the project. It is fundamental that they are capable of managing the resources received and monitoring the reach of expected results.

Projects seeking support should be suitable to the subject areas established by Decree N°. 6,527/2008, which authorized the creation of the Amazon Fund, as well as observing guidelines of the PAS, PPCDAM and State Plans to Prevent and Combat Deforestation. They should also follow the guidelines and resource application criteria established by COFA and the BNDES' operational policies, and they should be aligned with related public policies.

Project processing

The complete operational cycle of a project at the BNDES comprises the following phases: eligibility, analysis, approval, contracting and disbursement. Two departments at the BNDES are responsible for running these stages – the Priorities Department (DEPRI) and the Amazon Fund Management Department (DEFAM) – part of the Planning Division and the Environmental Division, respectively.

Technical assessments are submitted, at different times, to two collegiates: the Eligibility and Credit Committee (CEC), and the BNDES' Board of Directors.

Requests for financial support from the Amazon Fund begin with applicants submitting a formal proposal (Previous Consultation). The BNDES provides a template to prepare this document, which also serves as a script for information required so the initial concept of the project is understood.

Previous Consultations are received and assessed by DEPRI, which checks the project's preliminary documentation and appropriateness with regards to the guidelines and criteria applicable to the Amazon Fund. The document contains the basic characteristics of the applicant institution and the project for which financial support is being requested.

Based on this information, a pre-assessment of the applicant institution is made, including its managerial training, history of projects and their registration classification, among other aspects. In this phase, internally referred to as "eligibility assessment", the BNDES' Credit and Environmental divisions are also consulted.

Applicants are companies that submit a Previous Consultation to the Amazon Fund. Companies are labeled beneficiaries when they sign a non-reimbursable contract for financial support with the BNDES.¹¹ They are responsible for implementing projects and all other associated obligations, such as sending reports on the progress of their project and support for the BNDES to follow up on the financial and physical implementation of projects, as well as to assess results.

If the CEC concludes a proposal meets the minimum requirements, that is, if it is deemed "eligible", applicants should present complementary information to complete a detailed project, together with information supplied in the Previous Consultation.

At this point, DEFAM's staff begins the analysis phase, which entails studies, technical visits to the office of the successful applicant or the project location, meetings and other contact to define items eligible for financing, implementation schedules, costs, possible counterparts and the conditions for contracting and releasing funds, among other aspects defined together with the applicant.

Once the analysis is complete, DEFAM draws up the technical recommendation for possible financial support for the project, which is then studied by the BNDES' Board of Directors. Should it be approved, the presentation phase begins, when the applicant presents the required documentation so the project can be contracted.

After the contract is signed, the implementation phase of the project begins. Resources are disbursed in installments, in accordance with the terms of the contract signed and the physical-financial schedule agreed upon. Progress in implementing the project is technically monitored by the BNDES/Amazon Fund's Team. Figure 4 summarizes the project processing stages, their respective protocol records and technical areas responsible.

FIGURE 4: THE BNDES' OPERATIONAL STAGES



Records correspond to protocol levels used by the BNDES due to sufficient and complete information submitted, the proper time for the applicant to obtain and send the requested information, the level of definition and detail of the proposed project as well as the needed time for its analysis and operational technical recommendation to the levels of approval. These levels represent the way the Amazon Fund portfolio information has been disclosed so far.

Source: BNDES.

¹¹ The beneficiary responsible for the project should not be confused with the benefited target audience, whose individuals are called "final beneficiaries".

This operational flow is available on the BNDES' and Amazon Fund's websites, where all the steps for analysis and financial support are outlined, including the areas responsible. Detailed procedures to present requests for support are widely publicized. Information with regards to documentation required for each phase are available on the Amazon Fund's website, including document templates to follow up on the progress of projects.

INSTITUTIONAL COORDINATION AND TECHNICAL COOPERATION

As the manager of the Amazon Fund, the BNDES maintains direct contact with several stakeholders, aimed at constantly making its activities transparent, obtaining information and establishing partnerships aimed at improving its efforts.

Among these efforts, it is important to highlight the technical cooperation agreement between the Amazon Fund and the German Technical Cooperation Agency – GIZ –, whose work plan is based on achieving the following objectives and results:

- Applicants with more institutional capacity to develop and implement projects for the Amazon Fund;
- Instruments to monitor impact and results of improved projects;
- Strengthening the Fund's international cooperation, including the identification of opportunities for projects abroad;
- Knowledge of comparative experiences in developing science and technology policies, notably in the biotechnology area;
- Identification of opportunities in sustainable production activities; efforts towards preservation and the sustainable use of biodiversity, environmental services; efforts aimed at helping traditional people, indigenous land and communities; land-title regularization and recovery of deforested areas; and
- Identification of innovative financial mechanisms.

In 2013, the following activities stood apart:

- Continuing the cycle of lectures for the Amazon Fund team presented by specialist from areas deemed priorities in their operations;
- Continuing support for state environmental agencies in the Legal Amazon to develop projects to implement the CAR which are to be presented to the Amazon Fund;
- Within the scope of international cooperation, the GIZ has made available strategic information on the capacity in other countries in the Amazon Biome to monitor forest coverage;
- Contributing with technical inputs to monitor the impact of sustainable production projects receiving support from the Fund;
- Support when formulating strategies to strengthen production sectors for sustainable use of the forest and biodiversity; and
- Conducting surveys concerning international conferences on the climate and biodiversity, international funds and potential donators, aimed at helping build a fundraising strategy for the sustainability of the Amazon Fund.

COMMUNICATION

Among the instruments for contact, communication and publishing information, the following are worthy of mention:

The Amazon Fund's website: www.amazonfund.gov.br

The BNDES maintains a website on the Amazon Fund, which is also in English and Spanish. Since the release of its first edition, in 2010, the website has undergone successive improvements, carried out by DEFAM in a joint effort with the Systems Development Department of the BNDES' Information Technology Division.

In 2013, average monthly access totaled 3,200 hits. Most visits were in Brazil, mainly in the states comprising the Amazon Region, Brasília, Rio de Janeiro and São Paulo. International visits come from a variety of countries, including the United States, Norway, the United Kingdom and Germany.

Contents of the website

The Amazon Fund publishes vast and diversified information on the Internet, such as the operational flow for the approval of projects and the documentation required in each phase of the project. Public support is conducted through the "Contact Us" section (e-mail), telephone or reading the "frequently asked questions".

Its complete portfolio of projects is available and, in detail, the supported projects with the following information: name and person responsible for the project, territorial scope, beneficiaries, objectives, total cost of the project, the amount of the Amazon Fund's support, date of completion, date of approval and date of contracting. Disbursements for projects are always informed, as well as the activities performed within them.

The BNDES does not disclose any information resulting from the analyses it conducts and which somehow may jeopardize the applicants' reputation.

Annual reports

To provide more transparency to its activities, the Amazon Fund publishes its annual reports online. In addition to serving as instruments to render accounts, the reports record and disclose the Amazon Fund's efforts and results to society. So far, the annual reports from 2009 to 2012 have been published.

Newsletters

As of 2010, to render accounts related to its activities to COFA and donators, and to expand its communication with the general public, the Amazon Fund began publishing a newsletter with the main events related to work performed. Overall, some 45 news bulletins had been published by December 2013, containing information on seminars, the Amazon Fund's presentations in Brazil and abroad, workshops, approved projects, among others. The bulletins are published on the Amazon Fund's website and sent via direct mail to registered e-mail addresses.

Communication events in 2013

In addition to maintaining a comprehensive communication system with its varied audiences and partners, the BNDES team also participates in several kinds of events to publicize the Amazon Fund's

efforts and render accounts to donators and society. In 2013, the Amazon Fund's participation in the following events warrants mention:

VI Meeting of the Forum of Secretaries for the Environment in the Legal Amazon – April 26 and 27 – São Luís, Maranhão

Comprising representatives from state environmental agencies in the Legal Amazon, the forum aims at establishing a joint schedule between the nine states to prioritize the environmental, social and economic issues, contributing to the sustainable development of the Amazon's populations.

Journey for the Integrity of Climate Financing – May 16 and 17 – Mexico City, Mexico

The journey is part of the International Transparency (TI) organization's initiative to promote a series of global debates capable of contributing to increasing the quality of public decisions with regards to climate financing. The event was organized by the TI branch, Mexican Transparency, and hosted Brazil, El Salvador, Spain, Mexico and Peru, besides representatives from the Inter-American Development Bank (IDB) and the United Nations' Environment Program (UNEP).

Civil Government-Society Dialogue Meeting, within the scope of the Amazon Fund – June 19 – Brasília

Promoted by the General Secretariat of the Presidency and the Ministry of the Environment, the meeting was scheduled to announce the expansion of resources for the Call-to-Submission of Sustainable Production Projects to R\$ 100 million (US\$ 42.7 million) and to sign agreements with civil society entities resulting from the partnership between the BNDES and the Banco do Brasil Foundation, within the scope of the Amazon Fund. Encompassing eight states (Acre, Amapá, Amazonas, Pará, Rondônia, Roraima, Mato Grosso and Tocantins), some 18 projects were formalized in more than 10 different production sectors.

VII Latin American and Caribbean Carbon Forum – from August 28 to 30 – Rio de Janeiro, Rio de Janeiro

Conference to disseminate know-how and experiences in the carbon market, aimed at expanding the amount of investments in Latin America and the Caribbean. It involved the main actors in the sector and facilitated debate on promoting the reduction of greenhouse gas emissions.

Deforestation and REDD+ in Brazil, What's Going On? and Oslo REDD Exchange 2013 – October 28 and 30 – Oslo, Norway

The first promoted by Cicero, an important international center for environmental and climate research. The event discussed the Amazon Fund and Brazil's efforts to reduce deforestation in the country. Representatives of Brazilian society also took part.

The Oslo REDD Exchange 2013 Congress aimed at sharing the lessons learned from implementing REDD+ in different countries and at expanding understanding on the preconditions for success when implementing the REDD+ schedule in the future.

BNDES-Society Dialogue Forum – November 12 – Rio de Janeiro, Rio de Janeiro

The event aimed at discussing the BNDES' operational mechanisms, at furthering the debate on society's direct participation and at resuming an alternative development model.

2nd Calling of Forest People – November 28 and 29 – Gurupá Melgaço Extraction Reserve, Marajó Archipelago, Pará

Event hosting the presence of the Ministers of: the Environment, Izabella Teixeira; Social Development and the Fight Against Hunger, Tereza Campello; and Agricultural Development, Pepe Vargas to launch the package of measures for extraction communities in the Amazon Region.

Contact Us' service

To make the flow of information more transparent and secure, the BNDES created the e-mail <fundoamazonia-faleconosco@bndes.gov.br>, aimed at answering the public's questions over the website.

All messages received at the e-mail address are recorded and answered. Queries that are directly addressed to the BNDES' technical staff and those forwarded, for example, through the BNDES' Press Office, are not quantified.

Throughout 2013, some 152 queries sent to <fundoamazonia-faleconosco@bndes.gov.br> were received and answered. They come from states in the Legal Amazon, other Brazilian states and from abroad. The main topics concerned clarifications on how to present projects, information on the Fund's areas of activity, and who can become a beneficiary.



OPERATIONAL PERFORMANCE

PORTFOLIO OF PROJECTS

From June 2009 to December 2013, the Amazon Fund approved financial support for 50 projects, in the amount of R\$ 771,772,353.59 (US\$ 329,451,172.39). The number of supported projects per year in this period is presented in Table 5.

TABLE 5: APPROVED PROJECTS – 2009-2013

YEAR	N° OF APPROVED PROJECTS	TOTAL AMOUNT OF SUPPORT (R\$)	AMOUNT DISBURSED TO PROJECTS (R\$)
2009	5	70,339,010.00	-
2010	8	119,891,704.43	11,105,966.90
2011	9*	69,744,280.77*	59,740,091.49
2012	14	179,803,548.39	71,205,781.69
2013	14	331,993,810.00	80,903,376.19
Total support	50	771,772,353.59 (US\$ 329,451,172.39)	222,955,216.27 (US\$ 95,174,253.20)

*Of the total number of projects and the total amount of support, excluding the project in the municipality of Cumarú do Norte, which was cancelled with no disbursement.
Source: BNDES.

Of the total projects approved, some 33 (67%) are being implemented and have received financial resources to implement planned efforts, in accordance with their physical and financial schedules, ranging from one to five years. During this period, the amount disbursed totaled R\$ 222,955,216.27 (US\$ 95,174,253.20).¹²

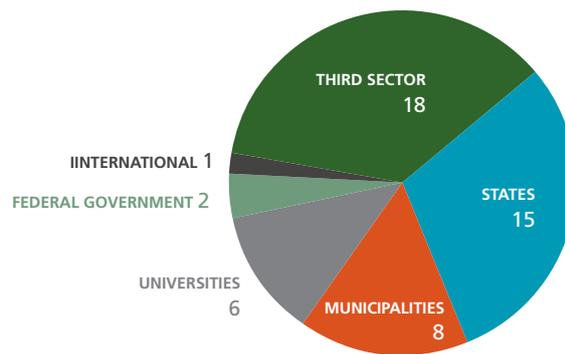
Such efforts include, among others, support for economic activities that make sustainable use of the forest and biodiversity, land-title regularization, recovery of degraded areas, creation and

¹² The list of approved projects that have already been funded is presented in Explanatory Note 5 of the Amazon Fund's consolidated financial statements, in Annex 4 of this report.

consolidation of forest conservation units, designing and implementing territorial and environmental management for indigenous land, institutional improvement and combating fires, as well as expanding the available and proven know-how on the biodiversity in the region.

As illustrated in Chart 3, some 18 of the 50 projects in the Amazon Fund's portfolio come from third-sector institutions. The remaining projects are distributed as follows: two from the federal government, 15 from state public administration, eight from municipal public administration, six from public universities and one from an international organization.

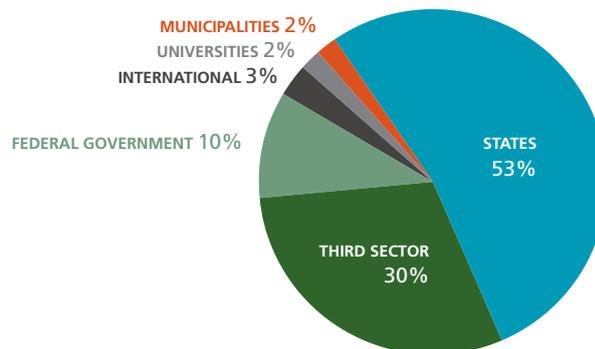
CHART 3: NUMBER OF APPROVED PROJECTS, DISTRIBUTION PER LEGAL NATURE OF THE PARTY RESPONSIBLE



Source: BNDES.

Of the total amount funded (see Chart 4), some 30% is earmarked for third-sector projects, 10% for federal public administration projects, 53% for projects presented by state public administration, 2% for municipal projects and 3% for the international project, which is under the responsibility of the ACTO, an intergovernmental organization comprising eight countries that together cover 99% of the Amazon Biome.

CHART 4: TOTAL AMOUNT FUNDED TO APPROVED PROJECTS, DISTRIBUTION PER LEGAL NATURE OF THE PARTY RESPONSIBLE

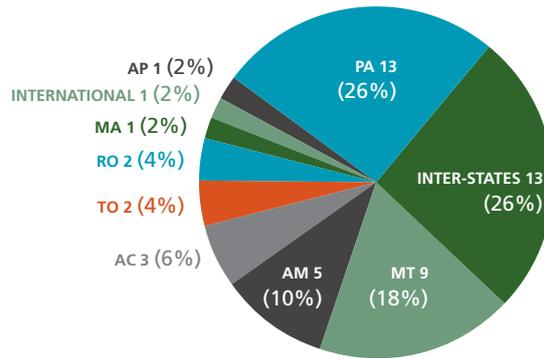


Source: BNDES.

Charts 5 and 6 show the territorial coverage of the approved projects based on the number of supported projects and the amount of support. As illustrated, all states in the Legal Amazon will receive benefits in some way or another to implement the projects.

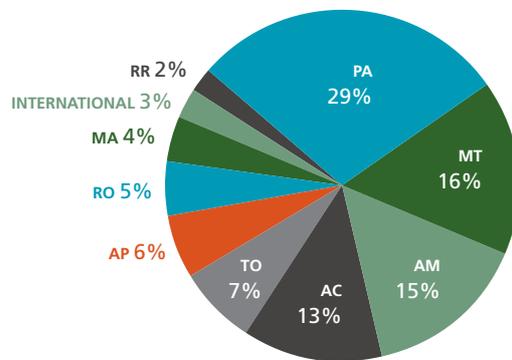
As for the total amount of funding approved, there is no concentration of resources in any of the states in the Amazon, according to the guidelines and criteria for applying the Amazon Fund's resources.

CHART 5: NUMBER OF APPROVED PROJECTS, DISTRIBUTION PER STATE



Source: BNDES.

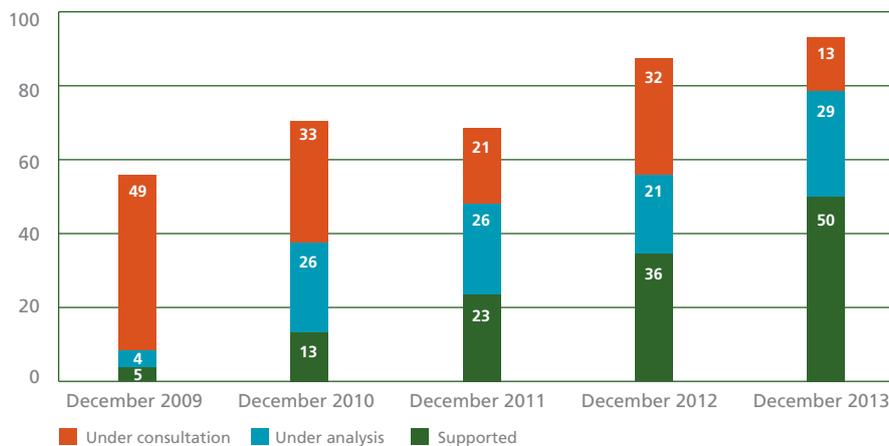
CHART 6: TOTAL AMOUNT OF FUNDING TO THE APPROVED PROJECTS, DISTRIBUTION PER STATE



Source: BNDES.

The annual progress of the Fund’s operational portfolio (undergoing consultation, analysis and those that have received support) is shown in charts 7 and 8.

CHART 7: PROGRESS IN THE NUMBER OF PROJECTS PER SITUATION IN BNDES’ OPERATIONAL PORTFOLIO

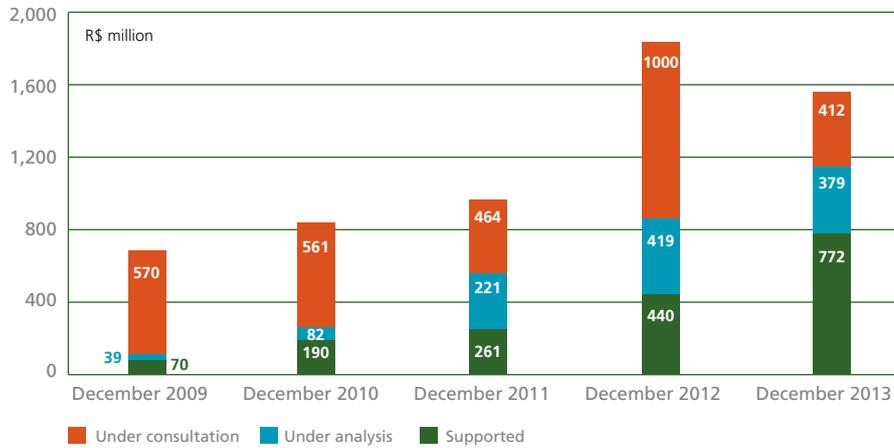


Source: BNDES.

The four states with the largest number of projects and greater participation in the funding total (Acre, Amazonas, Mato Grosso and Pará), together, account for more than 81% of the total area of

the Amazon Biome in Brazil.¹³ It is worth noting that the states of Pará and Mato Grosso had the highest rate of deforestation in 2013.

CHART 8: PROGRESS IN THE TOTAL AMOUNT (IN R\$) OF PROJECTS PER STAGE IN BNDES' OPERATIONAL PORTFOLIO

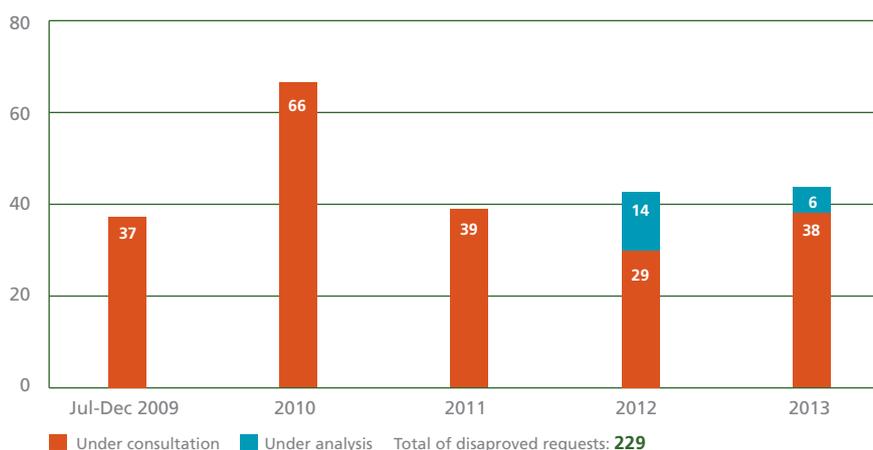


Source: BNDES.

According to the illustrated information, the number of supported (approved) projects in 2013 grew 39% compared to the accumulated number up to 2012, rising from 36 to 50 projects, whereas the amount of total funding to projects increased 75% (from R\$ 439,778,543.59¹⁴ to R\$ 771,772,353.59), proving support for larger-scale projects in 2013.

Chart 9 shows the number of requests for financial support that were denied in the preliminary analysis stage because they failed to meet the eligibility requirements of the Amazon Fund, as well as the requests for support that were already undergoing detailed analysis and were removed from the portfolio owing to a lack of information and/or documents.

CHART 9: NUMBER OF DISAPPROVED REQUESTS FOR FINANCIAL SUPPORT



Source: BNDES.

¹³ Information available at: <www.ibge.gov.br>.

¹⁴ The amount of R\$ 10,000.00, earmarked for the Sementes do Portal project, was cancelled due to non-utilization.

ACCOUNTING AND FINANCIAL ASPECTS

Accounting and financial transactions related to the Amazon Fund are recorded and reported to the general public, in compliance with the current legislation, as well as principles and norms published by the Federal Accounting Council (CFC), an independent agency that, among other attributions, incorporates norms from the International Accounting Standards Board (IASB) in Brazil.

It is up to BNDES' Financial Division to define the Fund's accounting and financial records, to put together financial statements for due reporting, and to contract independent auditors to assess these statements.

Tables 6 and 7 summarize the information in the audited financial statements and their explanatory notes referring to 2013. The audited statements, with detailed information, are presented in Annex 4.

TABLE 6: BALANCE SHEET FOR THE AMAZON FUND ON DECEMBER 31, 2013 (R\$ THOUSAND)

ASSETS		LIABILITY	
Current		Current	
Cash and Cash Equivalents	1,463,071	Resources for Projects Funding Resources	1,463,068 45,607
Prepaid Expenses	45,607	NET EQUITY	
		Accumulated surplus	3
Total Assets	1,508,678	Liability and Net Equity Total	1,508,678

Of the total current assets, some R\$ 1,463,068 is available cash and cash equivalents on December 31, 2013, to disburse to projects. This amount is invested in the Gaia and Gaia II funds, managed by Banco do Brasil. These funds are conservative (fixed-rate investments – Brazilian public bonds) and were contracted to maintain the monetary correction and remunerate the available balance to fund projects. The amount of R\$ 3,000 is in a bank account for eventual Amazon Fund expenses debited to the BNDES.

Receiving donations engenders a commitment to third parties, as resources are linked to counter-investments, as established in Decree Nº. 6,527/08 and in donation contracts. Thus, the amounts are recorded as the Fund's financial assets and, in as a counterpart, the entry "resources for projects" is listed in liabilities. In other words, accounting records establish that donations do not imply any increase in the Fund's equity.

Most donations made to the Fund (97%) are earmarked to support projects. On the date a donation is entered, some 3% of the donation is recorded in accounting as a liability under "resources for costs". These resources are earmarked to cover expenses related to the Amazon Fund, including expenses related to CTFA and COFA operations. Besides this, they cover hiring and auditing costs. In turn, the release of the 3% of the Amazon Fund's account to the BNDES is recorded as a "prepaid expense". In Table 5, the amount of R\$ 45,607 refers to the balance of resources resulting from the separation of 3% from each donation and not yet used by the BNDES to cover expenses and administrative costs related to the Amazon Fund.

While the equity balance shows an accumulated balance, the financial statements presented in Table 7 consider solely what happened in 2013. The total amount of R\$ 80,903 presented in "donation revenue

for investments” and “expenses with donation for investments” refers to the amounts effectively disbursed to projects supported by the Amazon Fund in 2013.

TABLE 7: FINANCIAL STATEMENT FOR 2013 (R\$ THOUSAND)

REVENUE	
Donation revenue for investments	80,903
Donation revenue for costs	724
Financial revenue	30,471
(-) EXPENSES	
Expenses with donations for investments	(80,903)
Administrative expenses	(724)
Expenses with project resource remuneration	(30,471)
	(112,098)
Year Surplus/Deficit	0

In accordance with the understanding of the Brazilian Federal Revenue Office of the 7th Region, donations to the Amazon Fund, on their entry date, should not be included for calculations related to Income Tax (IR) and Social Contribution on Net Profit (CSLL). To assess these taxes, upon disbursing resources to a project, one expense entry and one revenue entry should be made on the same date and in the exact same amount disbursed. Thus, the calculation for IR and CSLL related to the Fund’s donations will equal zero, and no tax will be retained for the public coffers.

The amount of R\$ 724,000, informed in Table 6, refers to the BNDES’ appropriation of the operational funds and expenses related to the Amazon Fund in 2013.

Profit from the Gaia and Gaia II funds, valued at R\$ 30,471, are considered revenue and an expense as they correspond to the remuneration from available resources to disburse to projects, recorded in accounting statements in a counterpart with “Cash and Cash Equivalents” and “Resources for Projects”, respectively.

Audits

Every year, the Amazon Fund undergoes the following auditing process:

1. Financial audit: to evaluate the reliability of balances recorded in the Amazon Fund’s financial statements, as well as the appropriate allocation of these balances in the BNDES’ financial statements. Thus, in this audit, the amounts received from the donators, the 3% from donations, and the amounts disbursed to supported projects are all evaluated.
2. Compliance audit: to assess if supported projects, bearing in mind their goals, products, services and planned efforts are in compliance with the requirements in Decree N°. 6,527/08, COFA, PAS and PPCDAM criteria and guidelines.

Accounting audit procedures related to 2013 were carried out by KPMG Independent Auditors. The auditor concluded that the accounting balances presented by the BNDES were appropriate. The compliance audit was carried out by BDO RCS Independent Auditors, which also concluded that the projects supported by the Fund in 2013 were in compliance.

The independent auditors’ reports, as well as the compliance audit report, are available in annexes 4 and 5.



MONITORING AND ASSESSING RESULTS

CONTEXTUALIZATION

The Amazon Fund provides support for efforts to prevent, monitor and combat deforestation and foster sustainable use of natural resources in the Amazon Biome. Its main reference is the PPCDAM.

The PPCDAM is based on a periodic diagnosis on the extension, dynamics and types of deforestation. The Amazon Fund's Logical Framework, a tool employed to plan, manage, monitor and assess results and impacts, was developed by primarily taking the diagnosis of this plan into account, in which the main causes of deforestation in the Amazon have been pinpointed:

- expanding farming and cattle-raising, driven by the increasing demand for commodities in the global market;
- impunity for environmental crimes, due to poor capacity of governmental agencies to monitor and punish in a territory with a continental magnitude;
- existence of unused public lands and poor legal security concerning land titles for properties in the region, which opens up room for illegal occupation of public lands, conflict over land and discouragement of private investment; and
- maintaining the forest standing is economically unattractive due to the lack of proper infrastructure and incentives to foster sustainable production sectors.

A strong need for investments in innovation and scientific production for recovery, conservation and sustainable use in the Amazon Biome was also identified.

In the construction of the Amazon Fund's Logical Framework, the seven areas defined in Decree N° 6,527/2008 were considered, which regulates how the Amazon Fund will be run, namely:

1. management of public forests and protected areas;
2. control, environmental monitoring and inspection;

3. sustainable forest management;
4. economic activities developed from the sustainable use of the forest;
5. EEZ, land-use planning and land-title regularization;
6. conservation and sustainable use of biodiversity; and
7. recovery of deforested areas.

The decree that authorized the creation of the Amazon Fund established that up to 20% of the Fund's resources can be used to develop monitoring and control systems for deforestation in other Brazilian biomes and other tropical countries.

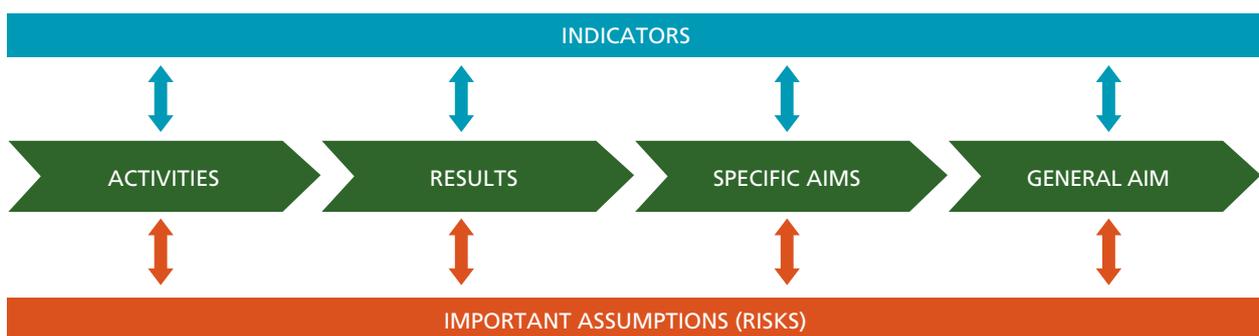
The general aim (strategic target) of the Amazon Fund was defined within this context, focusing on this biome, without prejudice to the Amazon Fund being authorized to act whilst supporting development of systems to monitor and combat deforestation in other Brazilian biomes, as well as in other tropical countries. With this, the Amazon Fund's general aim was established in its Logical Framework as: "to reduce deforestation through sustainable development in the Amazon Region".

LOGICAL FRAMEWORK OF THE AMAZON FUND

The Logical Framework of the Amazon Fund was established in 2009 and consolidated in 2010. It is a matrix which includes strategic orientations on how to invest its funds, with general and specific targets, results and activities. It also has indicators for implementation and effectiveness that seek to measure the results and impacts achieved, besides identifying external risks that are beyond the governance of the Amazon Fund.

Considering the logical sequence of cause and effect from the activities in supported projects up to the Fund's general aim, including its interactions with the indicators defined and the risks identified, the Amazon Fund follows the intervention logic presented in Figure 5.

FIGURE 5: SEQUENCE OF THE INTERVENTION LOGIC

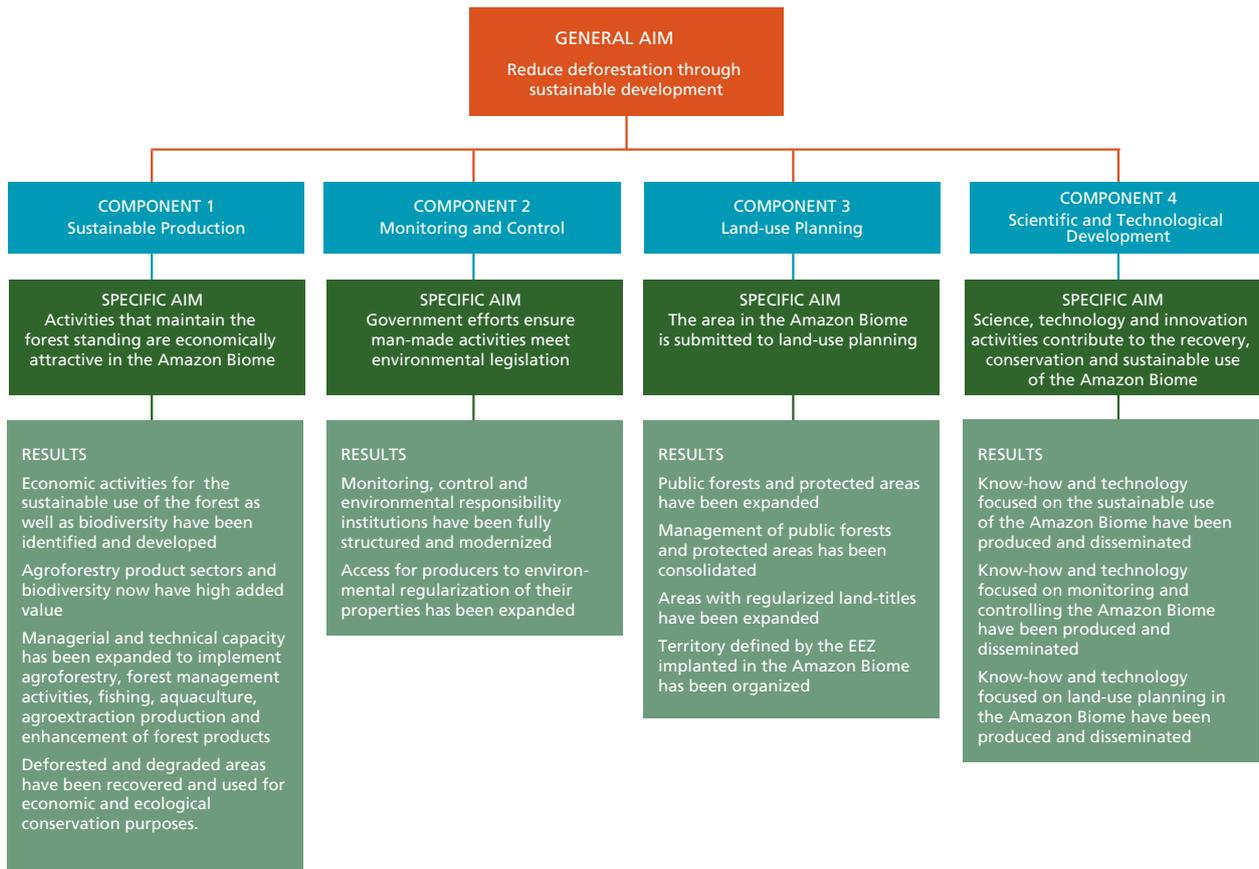


Source: BNDES.

The Logical Framework of the Amazon Fund, due to the problem to be faced and the conditions established for the Fund's operations, is aligned with the three areas of the PPCDAM, namely: (i) fostering sustainable production activities; (ii) environmental monitoring and control, and (iii) land-use and territorial planning, as well as incorporating a fourth component focused on scientific and technological development of a transversal nature.

The intervention logic in the Amazon Fund's Logical Framework can be seen in Figure 6.

FIGURE 6: LOGICAL FRAMEWORK OF THE AMAZON FUND

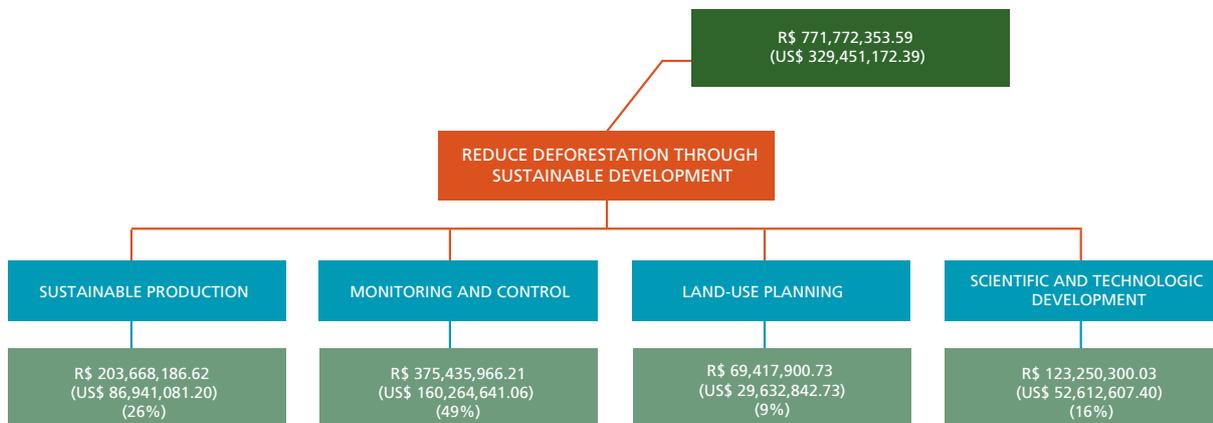


Source: BNDES.

Distribution of resources per component in the Logical Framework

The efforts and the corresponding resources for 50 projects receiving support from the Amazon Fund were distributed across the four components in the Logical Framework on December 31, 2013, as shown in Figure 7.

FIGURE 7: DISTRIBUTION OF RESOURCES THROUGH SUPPORT COMPONENTS IN THE AMAZON FUND



Source: BNDES.

It is worth mentioning that R\$ 16.7 million (US\$ 7.1 million) of the “monitoring and control” component refers to efforts in other countries and R\$ 21.7 million (US\$ 9.3 million) to efforts in other

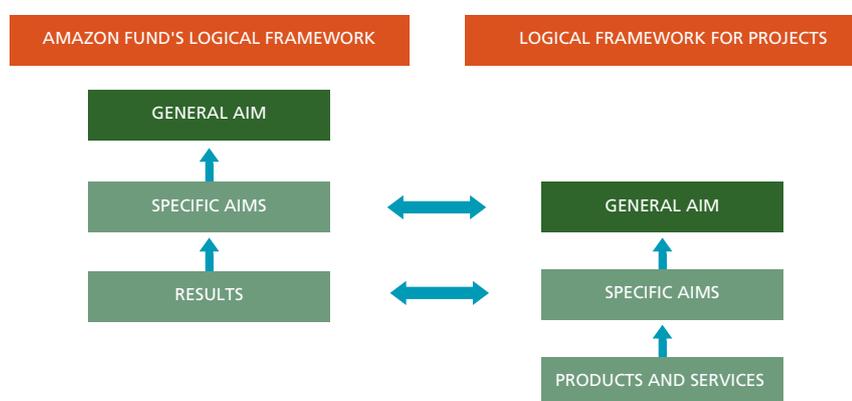
Brazilian biomes. In its turn, some R\$ 7 million (US\$ 3 million) for the “scientific and technologic development” component are earmarked to efforts in other countries, aiming to produce and disseminate know-how and technology focused on monitoring changes in land use and sustainable use of the forest in the member countries of the ACTO.

LOGICAL FRAMEWORK FOR PROJECTS

For each project, a specific logical framework is put together in accordance with the beneficiaries and integrated with the objectives defined in the Amazon Fund’s Logical Framework.

Figure 8 illustrates what way the results and effects at project level should contribute to developing the four components and, thus, to achieving the Amazon Fund’s general aim:

FIGURE 8: INCLUDING PROJECTS IN THE AMAZON FUND’S LOGICAL FRAMEWORK



Source: BNDES.

ACCOMPANYING AND MONITORING RESULTS OF THE AMAZON FUND'S PROJECTS

When accompanying and monitoring projects receiving support from the Amazon Fund, in addition to indicators in the logical framework for each project, other BNDES procedures are carried out to accompany projects, aiming to prevent or resolve situations that jeopardize the implementation of these projects.

The follow-up period for each project begins when the contract is signed and ends when the contractual obligations are fulfilled. To facilitate the follow-up period, the party responsible for implementing the project receiving support from the Amazon Fund should forward project performance reports, containing, among others, the following information: (i) a summary of the main activities carried out in the period; (ii) a table with project uses and sources, showing the total financial amount employed and accumulated in the period; (iii) an implementation table for the project; (iv) proof that the company is up to date with its taxes and labor obligations.

Follow-up carried out by the BNDES includes, among other procedures, verification of the physical and financial implementation of the project through visits to the project site, when necessary; analysis of the beneficiary's financial data; and verification of compliance with the requirements established in the contract. Each release of resources is subject to verification of compliance with norms and pertinent contractual clauses.

Upon completing the project, the beneficiary should present an assessment report of their results. The main aim of this report is to consolidate information on the implementation of the supported project, as well as its results and impact. It should also contain information on the project's progress, indicator monitoring in its logical framework, future sustainability of results, problems that arose during implementation, besides know-how generated and lessons learned.

Results of the projects receiving support from the Amazon Fund

The portfolio of approved projects has a total of fifty projects. This amount does not include the project approved in 2011 to help the municipality of Cumaru do Norte, which received financial support from the Amazon Fund to the tune of R\$ 755,299.70 (US\$ 322,419.39). This was canceled with no disbursements due to failure to submit a certificate legally required for contracting with the public sector.

Projects receiving support from by the Amazon Fund are accompanied individually, and several of the indicators monitored make it possible to consolidate them with the results from other projects backed by the Fund, which provides an aggregate picture of results and impacts reached by the array of projects.

Notwithstanding this group picture, the Amazon Fund is also part of an assessment of results from and impacts on each completed project, which can be seen in this annual activity report for the first three projects completed using the Fund's resources, as mentioned below. Implementation activities in other projects are disclosed here and on the Amazon Fund's website.

One of the first three projects completed in 2013, the Sementes do Portal project run by the Ouro Verde Institute, fostered, among other efforts, the environmental recovery of 1,246 hectares of degraded areas through agroforestry systems on 518 properties, adding value to family farming in six municipalities in the far north of the state of Mato Grosso. The project also trained 350 farmers and 75 members of the Terena indigenous community to collect the seeds used in agroforestry systems.

In its turn, the Amazon Olhos d'Água project, which was also concluded this year, is the responsibility of the municipality of Alta Floresta in the state of Mato Grosso, fostered: (i) the implementation of the CAR, which has filed application registrations for 2,801 properties, covering an area of 159,028 hectares; (ii) the completion of the geodesic georeferencing of 1,200 properties, covering an area of 46,858 rural hectares, aiming to obtain a certificate for rural properties; (iii) the reforestation of 1,738 hectares in permanent preservation areas that have been degraded (riparian forests); and (iv) monitoring not only degraded areas while undergoing recovery and natural regeneration processes, but also deforestation and burn-offs in the municipality of Alta Floresta.

It is worth noticing that the efforts in the Amazon Olhos d'Água project were fundamental in removing the municipality of Alta Floresta from the list of high-deforesting municipalities in the Amazon, which was officialized in 2012 through ordinance 187 of the Ministry of the Environment.

Finally, the Preserving Porto dos Gaúchos project, under the responsibility of the municipality of Porto dos Gaúchos, contributed to strengthening the municipal environmental management by physically and operationally structuring its Municipal Secretariat of the Environment and Tourism.

More detailed information on these three projects concluded in 2013 can be seen in the “Supported Projects” section. There, the activities carried out in these three projects are described, as well as a discussion on institutional and administrative aspects related to their implementation, assessment of result and impact indicators, and considerations on the future sustainability of their results.

A few indicators related to the public policies the Fund intends on contributing to (by supporting projects) are analyzed with regard to monitoring regional indicators. Among the projects receiving support from the Fund is the annual deforestation rate measured in the Amazon.

Result indicators of the Amazon Fund

Tables showing consolidated results and impacts measured by select indicators in the projects receiving support from the Amazon Fund are presented. These are consolidated in order to be assessed together.

TABLE 8: GENERAL INDICATOR OF VARIOUS COMPONENTS IN THE LOGICAL FRAMEWORK

N° of individuals participating in awareness or integration events	28,098
--	--------

Source: BNDES.

The indicator showing 28,098 individuals participating in awareness or integration events includes efforts related to several components receiving support from the Amazon Fund. In the breakdown of this indicator’s data, the following projects are highlighted:

- i. Forest Assistance Program, under the responsibility of the Sustainable Amazon Foundation (FAS), in which 278 participatory planning workshops were held, hosting 18,753 participants. The aim was to improve the capacity to organize of riverbank inhabitants and those living in the 15 conservation units attended by the project and to create an environment of commitment and efficiency when implementing planned activities.
- ii. Socio-environmental Management in Municipalities of Pará, under the responsibility of the Amazon Institute for Man and the Environment (IMAZON), in which preparations to enter into 10 municipal agreements received support. These agreements were signed together with the municipalities with the production sectors and a local community, establishing a commitment to environmental regularization, focusing on controlling deforestation and the CAR. Some 277 sectors representing society have enrolled (unions, associations, public authorities etc.), and approximately 3,700 people took part.
- iii. Buriti Springs, under the responsibility of the municipality of Carlinda, where awareness workshops were held, hosting 1,768 individuals to preserve and recover permanent preservation areas.
- iv. New Social Mapping in the Amazon, under the responsibility of the State University of Amazonas (UEA) in a joint effort with the Muraki Institutional Support Foundation, in which social mapping has been carried out in 16 traditional communities in the Amazon, as well as preparatory activities to map out nine other communities, involving 1,245 individuals.

TABLE 9: INDICATORS FOR SUSTAINABLE PRODUCTION ACTIVITIES

N° of workshops and training courses	203
N° of individuals trained in sustainable economic activities	6,358
N° of community organizations strengthened	38
N° of small-sized subprojects (up to R\$ 100,000,00 / US\$ 42.687,61) receiving support from other entities	1,000
N° of large or medium-sized projects receiving support from other entities	15
N° of properties with sustainable production projects	2,100
N° of demonstrative units implemented	78
N° of rural properties benefiting from technical assistance	3,561
Reforested area (hectares)	6,194
N° of recovered springs	400

Source: BNDES.

In turn, some 203 training courses and workshops were held, primarily in the sustainable production area, highlighting the 121 courses offered by the Tropical Forest Institute (IFT), which covered, among others, the following issues: (i) Forest Management and the Reduced Impact of Exploration; (ii) FSC Forest Certification and the Reduced Impact of Exploration; (iii) Special Techniques to Fell Trees and Safety in Forest Management, and (iv) Managing Native Açai Forests.

Fostering sustainable production, the thousand small subprojects (of up to R\$ 100,000.00/US\$ 42,687.61) are worthy of mention. They were approved by other entities and aim to extend the reach of the Amazon Fund's efforts. Of the total, some 943 subprojects are highlighted, to generate income in conjunction with FAS. These efforts support several production sectors, such as management of pirarucu fish, açai, nuts, oils and latex (rubber) extraction, benefiting 562 communities in 15 nature Conservation Units in the state of Amazonas.

In this group, there are 15 subprojects under the responsibility of the Banco do Brasil Foundation that warrant mention. These are larger subprojects that benefit the indigenous ethnic groups Gavião, Arara, Cinta Larga, Zóro and Kayapó, as well as agricultural reform settlements and other family farmers. These subprojects are currently in the implementation stage and have already benefited 1,753 families.

TABLE 10: INDICATORS FOR MONITORING AND CONTROL

N° of strengthened environmental agencies (state and municipal)	33
N° of workers trained	87
N° of properties with georeferenced mapping carried to enroll on the CAR	21,146
Area of properties with georeferenced mapping carried out to enroll on the CAR (km ²)	104,304
N° of properties that filed their application request to the CAR	11,873
Area of properties that filed their application request to the CAR (km ²)	71,472
Amount disbursed for projects to combat illegal forest fires and burn-offs (US\$ million)	16.3
N° of individuals trained in firefighting techniques to create civil fire brigades	1,633

Source: BNDES.

In the indicators for "monitoring and control", those related to the CAR-implementing process are highlighted. An area of 104,300 km² in properties has undergone georeferenced mapping for the CAR. It equals two-thirds of the state of Acre. In its turn, the area of properties that enrolled on the CAR was 71,500 km², or 69% of the area already georeferenced with support from the Amazon Fund.

This significant result of properties that have enrolled on the CAR was the result of efforts developed within the scope of the project under the responsibility of the Nature Conservancy of Brazil (TNC Brasil), which directly contributed to enrolling properties on the CAR corresponding to an area of 69,882 km², as well as the project under the responsibility of the municipality of Alta Floresta in the state of Mato Grosso, which contributed 1,590 km².

To achieve these results, the efforts developed were essential to strengthening the infrastructure in the state of Pará in order to issue the CAR, with the Amazon Fund providing support to the state government, as well as support for the project Socio-environmental Management in Municipalities of Pará, under the responsibility of IMAZON.

It is worthy of note that, to combat forest fires and illegal burn-offs, the amount of R\$ 38.2 million (US\$ 16.3 million) was disbursed to five state firefighter brigades, while some 1,633 individuals were trained in firefighting techniques to create civil fire brigades.

Projects to combat forest fires receiving support from the Amazon Fund already include the acquisition of a wide array of equipment, such as beaters (swatters), backpacks, GPS, radios, vehicles, computers, as well as two fixed-wing aircrafts to monitor and combat forest fires. Meetings between fighters and managers from other public organizations are also being organized to integrate and coordinate the efforts of these entities when fighting illegal forest fires and burn-offs.

TABLE 11: INDICATORS FOR TERRITORIAL PLANNING

N° of supported conservation units	94
Area of conservation units created (km ²)	8,121
Extension of protected areas with strengthened environmental management and/or territory control (km ²)	53,471
N° of georeferenced rural properties for of land-title regularization	2,488
Area of georeferenced rural properties for land-title regularization (hectares)	268,965

Source: BNDES.

In “territorial planning”, the indicator that monitors the consolidated management of nature conservation units stands apart. The project Protected Areas in the Amazon (ARPA), under the responsibility of the Brazilian Biodiversity Fund (FUNBIO), supports the consolidation of 94 nature conservation units by designing management plans, holding meetings with their managerial councils, as well as territorial consolidation activities, designing and implementing protection plans and purchasing basic managerial equipment. As a result, some 53,400 km² of protected areas was consolidated, of which 49,900 km² was classified as basic consolidation and 3,500 km² as advanced consolidation.

TABLE 12: INDICATORS FOR SCIENTIFIC AND TECHNOLOGY DEVELOPMENT

Total amount disbursed for scientific and technological research (US\$ million)	6.1
Amount disbursed to invest in infrastructure for scientific and technological research (US\$ million)	1.7
N° of researchers and technicians involved in scientific and technological research activities, residing in the Amazon Region to carry out projects	141
N° of scientific, pedagogic or informative publications produced	17

Source: BNDES.

Some R\$ 14.2 million (US\$ 6.1 million) was invested in scientific and technological development. The projects New Social Mapping in the Amazon and Amazon Public Policies Incubator involved 125 of the region's researchers. These projects are under the responsibility of the Federal University of the State of Pará (UFPA), in a joint effort with the Research Support and Development Foundation (FADESP) and the UEA, alongside the Muraki Institutional Support Foundation. An important common component for these two projects consists of consolidating research networks spread across every state in the Amazon Biome.

Within the scope of the New Social Mapping project, the social mapping of 16 traditional communities in the Amazon was completed, and regional seminars and preparatory activities to map nine other communities were held.

The project Amazon Public Policies Incubator finished the first stage of research on socioeconomic, political-institutional and environmental dynamics in the nine states throughout the Amazon, indicating the regions that are socio-environmentally vulnerable in each one. A new research stage then began in the municipalities indicated as most vulnerable, namely Breves, in the state Pará; Lábrea, in the state of Amazonas; Guarajá Mirim, in the state of Rondônia; Cruzeiro do Sul, in the state of Acre; Alta Floresta, in the state of Mato Grosso; Tocantinópolis, in the state of Tocantins; Grajaú, in the state of Maranhão; Oiapoque, in the state of Amapá; and Mucajaí, in the state of Roraima.

MONITORING REGIONAL INDICATORS

Within the scope of its Logical Framework, the Amazon Fund identified some regional or systemic indicators related to the public policies that the Fund plans to contribute to, through the projects to which it provides support.

Monitoring these public policies helps understand the progress achieved in fostering the reduction of deforestation through sustainable development in the Amazon. For this monitoring effort, in a comparative perspective, the Amazon Fund's indicators are analyzed with respect to their general aims and, when possible, to their specific goals. The starting point (baseline) for each indicator is the year 2009, since the Amazon Fund's first operations were approved then, however, with no release of financing for these projects.

The current year for comparison is 2013, and, in some cases, it is not yet possible to compare data to this year due to unavailability of information, which is why the latest available data is used.

General aim: To reduce deforestation through sustainable development in the Amazon Indicator: (1) Annual deforestation in the Legal Amazon

One of the indicators selected to measure the progress of the general aim was "annual deforestation in the Amazon Biome", according to measurements made by INPE.

In 2009, the deforestation rate in the Legal Amazon was 7,464 km². In 2012, the deforestation rate was 4,571 km² (the disclosed preliminary rate was 4,656 km²). Comparing these deforestation rates, it is possible to see that, between 2009 and 2012, there was a 39% drop in deforestation rates in the Legal Amazon. In 2013, however, preliminary data from INPE indicated that 5,843 km² was deforested, which represents a 28% increase in relation to 2012. Besides this increase, a 22% drop in deforestation related to 2009 rates can be seen, as shown in Table 11.

TABLE 13: DEFORESTATION RATES IN THE LEGAL AMAZON FROM 2009 TO 2013

STATES/YEAR	RATES FROM 2009 TO 2013 (KM ²)					VARIATION PERCENTAGE	
	2009	2010	2011	2012	2013	2013-2012	2013-2009
Acre	167	259	280	305	199	(35%)	19%
Amazonas	405	595	502	523	562	7%	39%
Amapá	70	53	66	27	11	(59%)	(84%)
Maranhão	828	712	396	269	382	42%	(54%)
Mato Grosso	1,049	871	1,120	757	1,149	52%	9%
Pará	4,281	3,770	3,008	1,741	2,379	37%	(44%)
Rondônia	482	435	865	773	933	21%	93%
Roraima	121	256	141	124	185	49%	53%
Tocantins	61	49	40	52	43	(17%)	(29%)
Legal Amazon	7,464	7,000	6,418	4,571	5,843	28%	(22%)

Source: Elaborated by the BNDES, based on data from INPE.

In a historical perspective, Brazil, in 2013, registered the second lowest deforestation rate in the monitored series in the Legal Amazon since 1988, surpassed only by the 2012 deforestation rate.

It is not yet possible to ascertain the causes of deforestation in the Amazon in 2013. Only a qualitative assessment could accurately identify them, leaving the Amazon Fund to accompany the results of these analyses to possibly reassess the focus of efforts, so that future supported projects can further contribute to reducing deforestation.

Indicator: (2) Participation in the Gross Domestic Product (GDP) of the states in the Legal Amazon in relation to the national GDP

The second indicator selected to measure the progress of the Amazon Fund's general aim is the participation in the GDP of the nine states in the Amazon Biome in relation to the national GDP. That is, the GDP in the nine states in the Legal Amazon is added together and compared to the national GDP.

GDP is a basic indicator for the economy, which demonstrates economic development in a certain region. However, it is not the ideal indicator to measure sustainable development, as it does not include information, for example, on environmental damage caused. Furthermore, this indicator needs to be monitored together with the deforestation reduction indicator.

The most recent information made available by IBGE on the progress of each state's GDP is related to 2011. In Table 14, it is evident that the participation of the Legal Amazon's GDP in the national GDP is increasing. It is worthwhile noting that Brazil's GDP in 2011 was 10.5% higher than 2009's GDP (real accumulated variation percentage).

TABLE 14: PROGRESS OF GDP PARTICIPATION IN THE STATES OF THE LEGAL AMAZON IN RELATION TO THE NATIONAL GDP (IN %)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
7,15	7,50	7,96	7,88	7,76	7,81	8,13	8,04	8,13	8,38

Source: Elaborated by the BNDES, based on data from IBGE in partnership with state statistic agencies, state secretariats of government and the Manaus Free Trade Zone Superintendence (SUFRAMA).

This information, associated with the drop in deforestation rates from 2009 to 2013, reveals a positive reduction in deforestation accompanied by an increase in the Amazon's GDP. This indicates that the general aim to reduce deforestation through sustainable development is closer.

Specific aim: To implement activities that maintain the forest standing and that are economically attractive in the Amazon Biome (sustainable production)

Indicator: Production of vegetable extraction and silviculture

To monitor this component, the "production of vegetable extraction and silviculture in the states in the Amazon Biome" was selected, whose data are based on an annual publication by IBGE.

The data on vegetable extraction production is obtained by IBGE through consultations to public and private entities, farmers, technicians and organizations directly or indirectly linked to production, commercialization, industrialization and inspection sectors of native vegetable products.

Vegetable extraction comprises exploring native vegetable resources by gathering products. The Amazon is featured as an important source to produce açai (edible fruit from a type of palm tree), Brazil-nuts, native rubber, almonds and other oilseeds and various fibers. These products have economic representativeness and are commercialized within and outside of the biome.

Progress related to production of and revenue from these products will be accompanied due to their economic relevance in the regional context. It has been noted that progress in timber extraction is not yet being accompanied due to a lack of systematized information that would enable clear distinction between legally-extracted native timber and illegally-extracted timber.

In oilseed products, the extraction production of souari nuts (pequi), *Bactris setosa* (tucum) nuts, tonka seed (cumaru), licuri palm coconuts and copaiba oil are being accompanied. In the group of fibers, the piassava fiber palm and the moriche palm (buriti) are being accompanied, among others.

TABLE 15: VEGETABLE EXTRACTION PRODUCTION IN THE STATES OF THE LEGAL AMAZON (IN TONS)

PRODUCTS	2009	2012	VARIATION (%)
Açai	115,767	198,986	72
Brazil nuts	37,468	38,805	4
Rubber (coagulated and liquid latex)	3,459	2,313	(33)
Oilseeds	1,234	1,285	4
Fibers	2,848	2,941	3
Total	160,776	244,330	52

Source: Elaborated by the BNDES, based on data from IBGE.

In Table 15, the progress of physical production (in tons) of vegetable extraction is presented for the years of 2009 and 2012. It shows that there was an increase in the production of açai (72%), Brazil nuts (4%), oilseed products (4%) and fibers (3%). However, there was a 33% drop in extraction production of rubber. In the overall calculations for vegetable extraction, there was a 52% increase in the volume produced.

TABLE 16: PRODUCTION OF VEGETABLE EXTRACTION IN THE STATES OF THE LEGAL AMAZON (VALUES IN R\$ THOUSAND)

PRODUCTS	2009	2009*	2012	VARIATION (%)
Açaí (fruit)	160,312	191,383	336,065	76
Brazil nuts	52,261	62,390	68,437	10
Rubber (coagulated and liquid latex)	7,597	9,069	6,615	(27)
Oilseeds	7,001	8,358	6,393	(24)
Fibers	4,495	5,366	5,383	0
Historical total		276,566 (US\$ 118,059 thousand)	422,893 (US\$ 180,523 thousand)	53

Source: Elaborated by the BNDES, based on data from IBGE.

* Updated to real values in 2012 by the Broad Consumer Price Index (IPCA) for 2010, 2011 and 2012.

In Table 16, there has been progress in the same products in terms of revenue. In the case of açaí, the increase in revenue in the period was 76%, very close to the growth in production (72%). In the case of Brazil nuts, the increase in physical production was 4%, while revenue up was 10%, which indicates a slight improvement in terms of trade of that product. The fibers did not experience any growth in revenue and had a modest increase in production (3%).

Oilseeds, despite presenting a slight increase in the produced volume (4%), showed an expressive drop in revenue (24%), while rubber presented a 27% fall in revenue associated with a 33% drop in production.

Revenue from these products grew 53% in the 2009-2012 period, and the volume of production presented similar growth (52%). The growth in both revenue and the produced volume indicate that the effort to achieve the aim that “activities that maintain the forest standing and that are economically attractive” established in the Logical Framework in the Amazon Fund, is progressing positively.

The Amazon Fund provides support to explore the potential of these and other extraction activities, due to their importance as a sole source of income or complementary income for several traditional communities in the Amazon, which enable them to keep their practices and cultural values. The scale of this support is growing in such a way that impacts contribute to expanding extraction production towards a new model of sustainable production in the Amazon Region.

Specific aim: To implement governmental efforts ensure man-made activities are adjusted to meet environmental legislation (monitoring and control)

Indicator: (1) Number of advanced stations (regional units) for environmental state agencies

Indicator: (2) Number of decentralization terms that states have signed with municipalities

Indicator: (3) Number of authorizations or environmental licenses granted by the state environmental agencies

To monitor this component, indicators were created to measure the effectiveness of state environmental agencies in the Legal Amazon, with regards to implementing valid environmental legislation.

Two of the created indicators measure, respectively, the levels of deconcentration and decentralization identified in environmental management, namely: “the number of advanced stations

(regional units) for state environmental agencies” and “the number of decentralization terms that states have signed with municipalities”.

Environmental deconcentration by implementing advanced stations or regional units for state environmental agencies bring these organizations closer to inhabitants and to economic agents from the most distant regions, making environmental management more efficient.

It is up to municipalities to acquire environmental licensing for undertakings and local environmental activities that have an impact and for those delegated by states through a legal instrument or agreement. Thus, environmental decentralization by delegating to municipalities is key to implementing environmental legislation more effectively in their territories.

A third indicator monitors the “number of environmental authorizations or licenses granted annually by state environmental agencies”. Licensing is an important instrument of the National Environmental Policy, and the increase in licenses and other authorizations indicates that state environmental agencies have a greater degree of control of man-made activities that interfere with environmental conditions.

Considering the lack of information available to the public that helps monitor aforementioned indicators, data obtained from the state environmental agencies of Rondônia, Mato Grosso, Amapá, Amazonas and Tocantins is presented in Table 17.

TABLE 17: REGIONAL INDICATORS FOR MONITORING AND CONTROL

STATE	N° OF ADVANCED STATIONS FOR STATE ENVIRONMENTAL AGENCIES (CONSOLIDATED)			N° OF DECENTRALIZATION TERMS SIGNED WITH MUNICIPALITIES (CONSOLIDATED)			N° OF AUTHORIZATIONS OR ENVIRONMENTAL LICENCES		
	2009	2013	INCREMENT %	2009	2013	INCREMENT %	2009	2013	INCREMENT %
Rondônia	14	19	-	1	15	-	1,923	5,490	-
Mato Grosso	11	11	-	5	29	-	5,430	11,082	-
Amapá	2	2	-	0	2	-	795	895	-
Tocantins	20	20	-	0	0	-	3,360	8,191	-
Amazonas	0	4	-	2	2	-	2,417	3,791	-
Total	47	56	19	8	48	500	13,925	29,449	111

Source: Elaborated by the BNDES, based on data from state environmental agencies.

A joint analysis of monitored indicators shows positive progress in all aspects, with a significant increase (500%) in the number of decentralization terms that states have signed with municipalities. The number of authorizations issued by state environmental agencies also experienced favorable progress, more than doubling in four years (111%). Finally, there was also an increase of 19% in the number of advanced stations for state environmental agencies.

Growth in the number of decentralization terms signed with municipalities indicates an increase in capacity of these entities to take on attributions related to licensing and environmental management. This growth indicates the tendency for municipalities to become an increasingly important locus of environmental management.

The Amazon Fund has contributed to this favorable progress by supporting projects that are aimed at institutionally strengthening state and municipal environmental agencies, improving the environmental licensing process, training staff, deconcentrating environmental management by strengthening regional units, as well as decentralizing and strengthening municipal environmental management.

Specific aim: The area of the Amazon Biome has undergone land-use planning

Indicator: Area of the states in the Legal Amazon with Ecological-Economic Zoning in the 1:250.000 (or larger) scale with all stages concluded

To monitor this component, an indicator that refers to the elaboration of the EEZ was created. The EEZ is a territory-organizing instrument that establishes environmental protection measures and standards.

Its main purpose is to support planning decisions to use and occupy territory in sustainable bases. Technical aspects and negotiating pacts between several interested parties help contribute to its development, involving public and private agents in the process.

It is a decentralized process that is shared throughout the country, across states and municipalities, as well as within the scope of the Amazon Fund, where progress developing the EEZ at a state level is being monitored. It is worth mentioning that the Ecological Economic Macro zoning of the Legal Amazon in the 1:1.000.000 scale was concluded in 2010 in an area of approximately 5,219,619 km².

To analyze advances made with regards to the EEZ, the following stages were considered:

- a. planning to implement the EEZ;
- b. diagnosis to assess the current situation of the area for zoning;
- c. prognosis that aims to propose efforts for previously-established planing units;
- d. normatization through specific legislation; and
- e. federal validation of the EEZ recommendations.

In Table 18, information from the Ministry of the Environment on the area of the states in the Amazon Biome that have completed EEZ in the 1:250.000 (or larger) scale.

TABLE 18: AREA OF THE STATES IN THE LEGAL AMAZON THAT HAVE COMPLETED ECOLOGICAL-ECONOMIC ZONING IN THE 1:250.000 (OR LARGER) SCALE

STATES	2009	2013	VARIATION (%) 2009-2013
Amazonas	0	252,985	
Rondônia	237,576	237,590	
Acre	152,581	164,123	
Pará	476,742	1,155,166	
Total	866,899	1,809,864	109

Source: Elaborated by the BNDES based on data from the Ministry of the Environment.

As can be seen in Table 18, there was a 109% increase in the area with EEZ completed, which shows that Amazon Biome zoning in a 1:250.000 scale is still underway. In 2009, the area with EEZ completed in this scale accounted for 17% of the Brazilian Amazon, and it expanded to 35% in 2013.

It can be considered that there was significant progress in land-use planning in the Amazon, which will enable more integrated implementation of public policies aimed at reducing deforestation rates

through sustainable development. Projects receiving support from the Amazon Fund contribute by helping institutionally strengthen state environmental agencies.

Specific aim: Science, technology and innovation activities contribute to the recovery, conservation and sustainable use of the Amazon Biome (scientific and technological development)

Indicator: Number of patents requested or filed

The indicator “number of patents requested or filed” was selected to monitor the scientific and technological development component. This helps to first assess to what extent the regional innovation system was strengthened.

According to Table 19, in the 2009-2012 period there was a 6.5% increase in the number of patent requests filed at the National Institute of Industrial Property (INPI) by residents in the states in Brazil's Amazon. This increase was larger than that filed by the country as a whole, 0.6%.

TABLE 19: PATENT REQUESTS FILED BY RESIDENTS AT THE NATIONAL INSTITUTE OF INDUSTRIAL PROPERTY

BRAZIL	2009	2012	VARIATION (%)
	7,766	7,810	0.6
STATES IN THE AMAZON	2009	2012	VARIATION (%)
Amazonas	65	44	(32)
Pará	33	22	(33)
Mato Grosso	32	56	75
Maranhão	26	46	77
Rondônia	13	9	(31)
Amapá	3	1	(67)
Tocantins	8	12	50
Acre	3	2	(33)
Roraima	2	5	150
Total	185	197	6,5

Source: Elaborated by the BNDES based on data from INPI.

The number of patents filed by residents in the Amazon represents 2% of the total patents requested in Brazil, and the population in the Amazon corresponds to approximately 13% of the Brazilian population. These discrepant correlations indicate that a major effort is needed in the Amazon to overcome this inequality in terms of the capacity to produce know-how and technology.

The reasons for this scenario are complex and have historical roots. They range from differences in investment levels in higher education and research to factors such as development of the industrial sector in each of these states or regions.

The projects receiving support from the Amazon Fund that are related to science and technology will face this challenge through efforts such as constructing, remodeling or structuring advanced biotechnology research studies, conducting research to develop EEZ-support tools, surveying and processing biological and socio-economic georeferenced data, and developing models to estimate biomass and carbon sequestration in ecosystems.

Among the supported projects is also interdisciplinary research aimed to conduct social mapping in traditional communities and assess socio-economic and environmental impacts from the expanding economic frontier in the states in the Amazon.

Summary of regional monitoring indicators related to the Amazon Fund's efforts

- A 22% reduction in deforestation rates has been achieved in the Brazilian Amazon (2009-2013).
- The GDP of the Brazilian Amazon has gradually increased in relation to Brazil's GDP (2009-2011).
- Both the volume and revenue generated by all monitored products from vegetable extraction grew more than 50% in the 2009-2012 period.
- The decentralization of environmental management for municipalities has been expanded (500%), the number of authorizations issued by state environmental agencies has also risen (111%), and the number of advanced stations for state environmental agencies grew (19%) in the 2009-2013 period.
- There was a 109% increase in the area with EEZ completed in the 1:250.000 scale between 2009-2013.
- The number of patents filed by residents in the states of the Brazilian Amazon has grown by 6.5%. This increase was larger than that filed by the country as a whole, 0.6% – 2009-2012.

RISK MANAGEMENT OF THE AMAZON FUND

Risk management is an integral part of managing the Amazon Fund and its supported projects. External factors that negatively influence the implementation of projects or management of results achieved by the Amazon Fund are considered risks.

To manage risks in the Amazon Fund, the following format has been defined:

- presentation of identified risks based on the Logical Framework, starting from the intervention logic represented by the Fund's general and specific aims;
- assessment of the probability of each identified risk occurring; and
- definition of mitigation measures, where possible, for the Amazon Fund or other actors.

Risk management is conducted by periodically reviewing the behavior of both risks and effects of mitigation measures:

	INTERVENTION LOGIC	IDENTIFIED RISKS	PROBABILITY	RESPONSE/RISK MITIGATION
GENERAL GOAL GERAL	Reducing deforestation through sustainable development in the Amazon Region	Abnormal migration influx to the Amazon Region which harms the environment and the services provided by the State		The Amazon Fund has no way of influencing the Amazon's migration influxes directly, nor the offers by the different governmental spheres of public service for the entire population. Nevertheless, it supports efforts to protect the environment, such as projects that create and consolidate protected areas, foster land-use planning, and strengthen the environmental monitoring and control system. Additionally, the geographical location of the projects has been established as guiding criteria, prioritizing those carried out in municipalities affected by major infrastructure projects.
		Changes to Brazil's environmental legislation that reduce the protection of the forest		The new Forest Code, while controversial, introduces mechanisms to conserve and add value to forests, while offering legal security for production and land use. As a mitigation measure for the risks associated with new forest legislation, the Amazon Fund primarily supports the implementation of the CAR, an important instrument for environmental regularization for rural producers.
		Climate changes that result in periods of prolonged drought and wildfires		Part of the risk presented by climate change is beyond the governance of the Amazon Fund and the Brazilian government, because it is a global problem whose solution depends on political commitments at an international level. It is understood that the Amazon Fund is itself a preventive or mitigating measure on the negative effects of climate change. Additionally, due to repeated droughts, the Amazon Fund has provided support to projects to fight forest fires and illegal burn-offs.
COMPONENT 1	Activities that maintain the forest standing and that are economically attractive in the Amazon Biome	Deterioration in the economic situation delays the development of a sustainable forest-based economy		At present, there is no deterioration in the economic situation in the Amazon Region. Regardless of this, structuring production sectors based in the forest and receiving support from by the Amazon Fund strengthens the producers and prepares them for possible oscillations in the market.
COMPONENT 2	Governmental efforts ensure that man-made activities are adjusted to meet environmental legislation	New agricultural land reform policy is not aligned with the environmental policy		With the creation of the Green Settlements Program by the National Institute for Colonization and Agrarian Reform (INCRA) and the engagement between the Ministry of Agricultural Development and the Ministry of the Environment to implement the CAR, the agricultural land reform policy is now aligned with the main environmental policies. They focus on conservation, management and sustainable use of the Amazon forests. COFA defined support to implement the Green Settlements Program as a priority focus for the 2013-2014 period.
		Migration of workforce employed in illegal forest activities to other illegal activities		Repressing illegal forest activities such as deforestation and illegal timber or charcoal processing may cause the migration of the workforce to other illegal activities due to the lack of economic alternatives. The set of efforts supported by the Amazon Fund strengthens the presence of the government in the region and fosters the development of a sustainable forest-based economy, generating jobs and income to replace lost income deriving from the repression of illegal forest activities.

COMPONENT 3	Area of the Amazon Biome has undergone land-use planning	Growth in the demand for illegal timber		The demand for illegal native timber represents a threat to the integrity of Amazonian forests. The Amazon Fund helps mitigate this risk by supporting projects aiming to strengthen the timber production sectors involving sustainable forest management.
		Growth in the demand for new farmland and pastures		Increasing cattle-raising and farming, driven by the demand for meat and soybeans in the global market, could result in the conversion of forest into new areas for cultivation and grazing. Mitigating this risk depends on the government both monitoring and controlling deforestation, as well as a cultural change that identifies the forest as a production resource for sustainable exploration. The Amazon Fund prioritizes both monitoring and control of deforestation as well as supporting sustainable production activities.
COMPONENT 4	Science, technology and innovation activities contribute to the recovery, conservation and sustainable use of the Amazon Biome	Flight of qualified technical staff and researchers from the region		The region lacks infrastructure to develop scientific and technological activities. In addition, there is resistance from researchers to live in the region for several reasons. Maintaining researchers in the Amazon requires structuring efforts that must be developed integrally by several public agencies as well as the business sector. The Amazon Fund has contributed to placing researchers in the region by supporting research and technology development projects at universities in the region.

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INTERNATIONAL PROJECT 208

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PROJECT CONCLUDED

SEMENTES DO PORTAL

PORTAL SEEDS

PROJECT MANAGEMENT

Ouro Verde Institute (IOV) <www.ouoverde.org.br>

TERRITORIAL SCOPE

Seven municipalities that comprise the region known as the Portal of the Amazon, in the extreme north of the state of Mato Grosso: Apiacás, Alta Floresta, Carlinda, Nova Guarita, Nova Canaã do Norte, Terra Nova do Norte and Matupá

BENEFICIARY

Family farmers and the indigenous community Terena in the state of Mato Grosso

OBJECTIVE

To foster the environmental recovery of 1,200 hectares of degraded areas (re-establishment of permanent protection areas and the legal reserve), besides bringing back value to family farming in six municipalities in the territory known as the Portal of the Amazon by disseminating agroforestry systems that bring together the sustainable use of the forest and the generation of income. In addition, the Terena indigenous community will be trained to collect seeds that will be used in agroforestry systems.

TOTAL COST OF THE PROJECT

R\$ 5,423,450.00
(US\$ 2,315,141.18)

AMAZON FUND SUPPORT

R\$ 5,423,450.00
(US\$ 2,315,141.18)¹

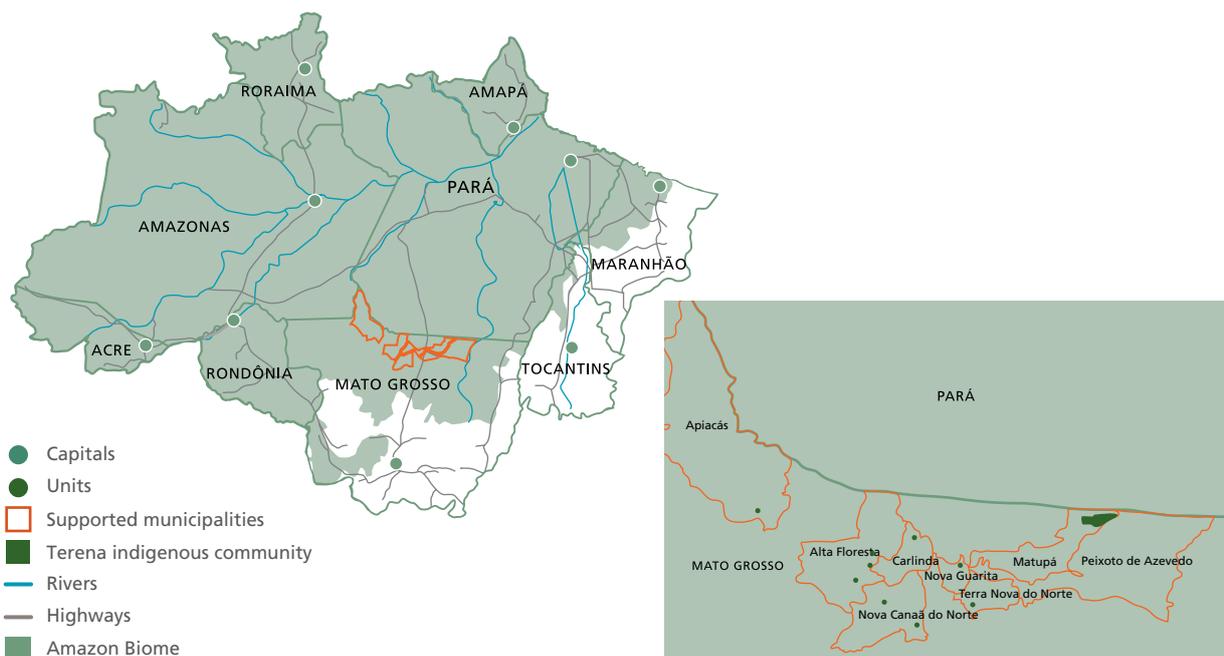
ESTIMATED COMPLETION DATE

36 months
(from the date the contract was signed)

¹ Values converted into US dollars at the exchange rate published by the Central Bank of Brazil for 12.31.2013 - 1 DÓLAR EUAV/USD = 2,3426001 REAL BRASIL/BRL

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT	2 ND DISBURSEMENT	3 RD DISBURSEMENT
12.8.2009	3.25.2010	ON 5.7.2010 R\$ 654,750.00	ON 11.11.2010 R\$ 680,000.00	ON 5.10.2011 R\$ 755,900.00
4 TH DISBURSEMENT	5 TH DISBURSEMENT	6 TH DISBURSEMENT	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
ON 11.18.2011 R\$ 1,267,167.86	ON 8.20.2012 R\$ 1,580,467.86	ON 3.22.2013 R\$ 485,164.28	R\$ 5,423,450.00 (US\$ 2,315,141.18)	100%



CONTEXTUALIZATION

Occupation of land in the Amazon region mostly takes place in a disorganized and intense fashion by means of specific activities (timber extraction, gold digging, farming and cattle-raising), which temporarily generate value attracting the general population. In the region known as the Portal of the Amazon, located in the extreme north of the state of Mato Grosso, such occupation was no different, undergoing the three cycles of gold digging, timber extraction, as well as farming and cattle-raising.

Deforestation as a result of these activities has even compromised permanent preservation areas, harming environmental services rendered especially those related to water resources. In rural settlements, in general, there is a dire need for environmental diagnosis of occupied areas, for technical support, as well as for credit that can help farmers not only adopt farming practices that are more suitable to the region, but also learn to value and manage forest resources.

THE PROJECT

The Sementes do Portal (Portal Seeds) Project aims to recuperate degraded areas by structuring the social and technological bases that can help the family farmers involved fostering environmental recovery. This effort was developed in accordance with the discussion held in the state of Mato Grosso, entailing the recovery and reforestation of degraded areas (state plan to combat deforestation and burn-offs).

Using agroforestry systems (SAFs) to implement environmental recovery of degraded areas is aimed at, but not solely, helping properties meet environmental legislation; protecting and giving value to environmental services rendered throughout these areas, especially maintaining the water course; developing an economic alternative for activities on the properties; and strengthening food safety for families.

In the long-term, the project sought to strengthen another way to build relationships between farmers and their land by giving value to the forest, introducing not only concepts and techniques, such as “muvuca” (an agroforestry technique to implement mixed-seed planting and the management of several species of forest and farming seeds), but also discussions on alternatives to practices that damage the environment, such as burn-offs and the intensive use of pesticides and fertilizers.

As a complement, the project also seeks to foster the collection of native seeds as an important economic alternative in the region. This has resulted from implementing seed houses and strengthening a network of collectors who have shared technical and traditional know-how on the issue. The ethnic group Terena took part in this activity, as their area is well preserved and has many forest species that are rarely found in the region.

INTERVENTION LOGIC

• Products and services

- » Participative planning for projects to environmentally recover properties, as well as monitoring implementation
- » Creating a base for technical services to provide support in implementing agroforestry systems
- » Capacity-building for rural producers, supplying inputs for planting in the agroforestry systems and fencing areas for recovery
- » Capacity-building for farmers and the Terena indigenous community to collect seeds and structuring communal seed houses

• Specific aims

- » To recover a 1,200-hectare area by means of agroforestry systems, contributing to the generation of income, meeting environmental, legal and quality requirements in small properties that are benefiting from the project.
- » To foster forest product sectors with broader aggregate value by structuring and developing a market for forest seeds

• General aim (impact)

- » To develop sustainable production activities in seven municipalities in the Portal of the Amazon (north region of the state of Mato Grosso)

IMPLEMENTED ACTIVITIES

The Sementes do Portal project was organized based on the five large groups of activities, including:

1. Implementing and running a participative management system

Activities were developed to guarantee the involvement of farmers and communities in managing the project. With this, in each community, the so-called management councils were structured, comprising representatives from the communities so that, through monthly meetings conducted by a technical team hired by the project, they could manage the established activities locally. There were three regional encounters to annually assess the project and its operational planning.

2. Structuring the environmental services base

This service base was set up by a team of advisors hired not only to accompany the technical aspects of the project (design of agroforestry projects), but also to engage communities to become actively involved in every phase. With this, eight people with experience in community organization and agroecology were hired to accompany the work. All advisors began living in the communities receiving the project, actively taking part in the community way of life in the locations.

3. Structuring environmental recovery projects

Within the project's budget, the most significant effort involved agroforestry system planting. Throughout the duration of the project, which lasted slightly more than three years, some 1,246 hectares of degraded areas were incorporated into this method of planting, which started the recovery process.

4. Training program

Strategies for training played a crucial role in planning for Sementes do Portal. With this, a training course for environmental production and recovery was held, from which some 16 local community youths graduated. Besides this, there was an array of training activities in the communities, involving planning and managing agroforestry systems, and seed collection, amounting to more than 2,500 people trained throughout the project.

5. Design of communication materials

Among the materials structured, the newspaper Muvucando (10 editions produced, with the circulation of 1,500 copies per edition) was most probably the most important. Regionally distributed, its main aim was to unite the project, serving as an instrument for training and informing communities. Aimed at systematizing

the entire experience acquired over these three years, three other materials were published: a booklet on the history of the project (Sprouting for life/Brotando para a vida), the Manual on producing saplings and the Manual for seed collectors.

Institutional and administrative aspects

Sementes do Portal worked in partnership with three institutions: the Pastoral da Terra Commission, the Female Farmers Movement (Movimento de Mulheres Camponesas) and the Regional Community Association for the north of the state of Mato Grosso. These organizations played an important role, working as mobilization agents in their municipalities under their influence (Terra Nova do Norte, Nova Canaã do Norte and Nova Guarita, respectively), besides providing support for the general coordination of the project and dialogue with other institutions.

Management councils, comprising communities benefiting from the project, sought to create partnerships with local city councils. Those partnerships that developed were specific, yet important, to outlining the phases of the project, such as making transport to events feasible and supplying saplings.

Indicators of results and impacts

Main indicators of the project:

- **Recovered area with agroforestry systems**

The target established by the project was to recover 1,200 hectares. Through the project, some 1,246 hectares of agroforestry system were implemented. As most areas undergoing recovery were planted in permanent preservation areas, which are legally protected, the chances of them being used for some other purpose in the future are slim.

- **Recovered area used for economic purposes**

Some 194 hectares were effectively recovered for economic purposes (of the total 1,246 hectares), since this is the area that is to be initially incorporated into a program aimed at commercializing the production.

- **Revenue from seed sales**

A total of R\$ 1,548,142.64 (US\$ 660,865.09) was received in seeds and saplings directly from farmers over the three years of work. This amount is expressive and motivated many families to join the efforts to collect seeds.

- **Number of individuals involved in collecting seeds**

In the year with the highest level of involvement, close to 300 people took part in collecting seeds.

- **Number of families and people benefiting**

The project Sementes do Portal ended its efforts with 1,246 hectares undergoing recovery (not including the areas that were discarded as unsatisfactory) on 518 properties. A total of 1,916 people (518 families), of which 1,053 were males (55%) and 863 were women (45%), benefited directly from the project's efforts.

- **Annual deforestation rate in municipalities where the project was developed, measured by the National Institute for Space Research (INPE)**

In Table 1, it is easy to see the annual deforestation in the municipalities where the project was developed, all of which are located in the extreme north of the state of Mato Grosso. It is important to point out that the activities carried out in the municipality of Matupá did not include reforestation or recovery of degraded areas, but rather seed collection conducted by the Terena indigenous community.

Analyzing the table, data shows a substantial fall in total deforestation as of 2006, due to the implementation of public policies aimed at combating this problem as of 2004. In the year previous to disbursements from the Amazon Fund, that is, in 2009, annual deforestation was at 38.5 km² for the group of municipalities that then received benefits through the project. In 2012, average deforestation measured by INPE was at 19.8 km². The drop in deforestation in these municipalities is favorable news, but such results can not be exclusively attributed to the Amazon Fund.

TABLE 1: DEFORESTATION RATE IN MUNICIPALITIES IN THE PORTAL OF THE AMAZON (KM²)

MUNICIPALITY	2004	2005	2006	2007	2008	2009	2010	2011	2012
Apiacás	228.9	148	50.2	73.8	46.5	13.8	15.2	14	12.3
Alta Floresta	230.9	124.9	97.1	61.4	15.3	7.2	3	5.8	1.6
Carlinda	41.2	16	2.7	6.7	3.9	0.2	0.3	0.7	0.1
Nova Guarita	13.9	12.5	0.7	1.6	3.3	0	0.4	1.4	1.1
Nova Canaã do Norte	95.4	73.3	30.3	34.8	21.4	5.1	3.5	4	0.8
Terra Nova do Norte	23.2	28.5	11.7	20.4	13.1	3.2	0.8	4.1	3.9
Matuapá	63.8	69.3	29.3	74	75.5	9	9.4	29.5	13.3
Total	697.1	472.5	222	272.7	179	38.5	32.6	59.5	19.8

Source: INPE.

Other indicators accompanied by the project:

- Number of rural producers trained to implement agroforestry systems (SAFs): 2,574
- Number of rural producers trained to collect seeds: 350
- Number of Terena community members trained to collect seeds: 75
- Number of youths trained for environmental production and recovery: 16
- Number of technicians hired and trained: 8
- Number of seed houses structured: 10
- Number of rural properties georeferenced: 622
- Rural property area georeferenced: 24,642 hectares
- Number of female coordinators in the Ouro Verde Institute (IOV): 6 women (46%) of a total of 13 coordinator positions
- Number of women on management councils in communities: 7 women (32%) of a total of 22 people

Sustainability of results

Sementes do Portal brought about three significant advances in the communities involved:

1. Expanding implementation of the agroforestry systems (SAFs) throughout the region. The potential of the SAFs to move from a mere technique for “recovery” to a concrete option for substituting the production matrix still depends on other mechanisms, linked, mainly, to the possibility of commercializing products and further know-how in managing species.
2. Collecting seeds was strengthened as an economic option for farmers in the entire region. Setting up collection groups, structuring the seed houses and starting the work to sell seeds outside the project all show that this effort, although strongly linked to Sementes do Portal, can grow in the future.
3. The project strengthened integration between the farming communities and may become a springboard for new structuring efforts throughout the whole region.

SEMENTES DO PORTAL FASE 2

PORTAL SEEDS – PHASE 2

PROJECT MANAGEMENT

Ouro Verde Institute (IOV) <www.ouoverde.org.br>

TERRITORIAL SCOPE

Eight municipalities in the region known as the Portal of the Amazon, in the extreme north of the state of Mato Grosso: Apicás, Alta Floresta, Carlinda, Colíder, Nova Canaã do Norte, Nova Guarita, Nova Santa Helena, and Terra Nova do Norte

BENEFICIARY

Family farmers an in the state of Mato Grosso

OBJECTIVE

To foster the recovery of degraded areas and strengthen family farming in the territory known as the Portal of the Amazon, in the state of Mato Grosso, by implementing and consolidating agroforestry systems, through planting and enrichment of agroforestry systems, structuring commercialization channels for products and seeds, as well as conducting research.

TOTAL COST OF THE PROJECT

Up to R\$ 16,086,000.00
(US\$ 6,866,728.94)

AMAZON FUND SUPPORT

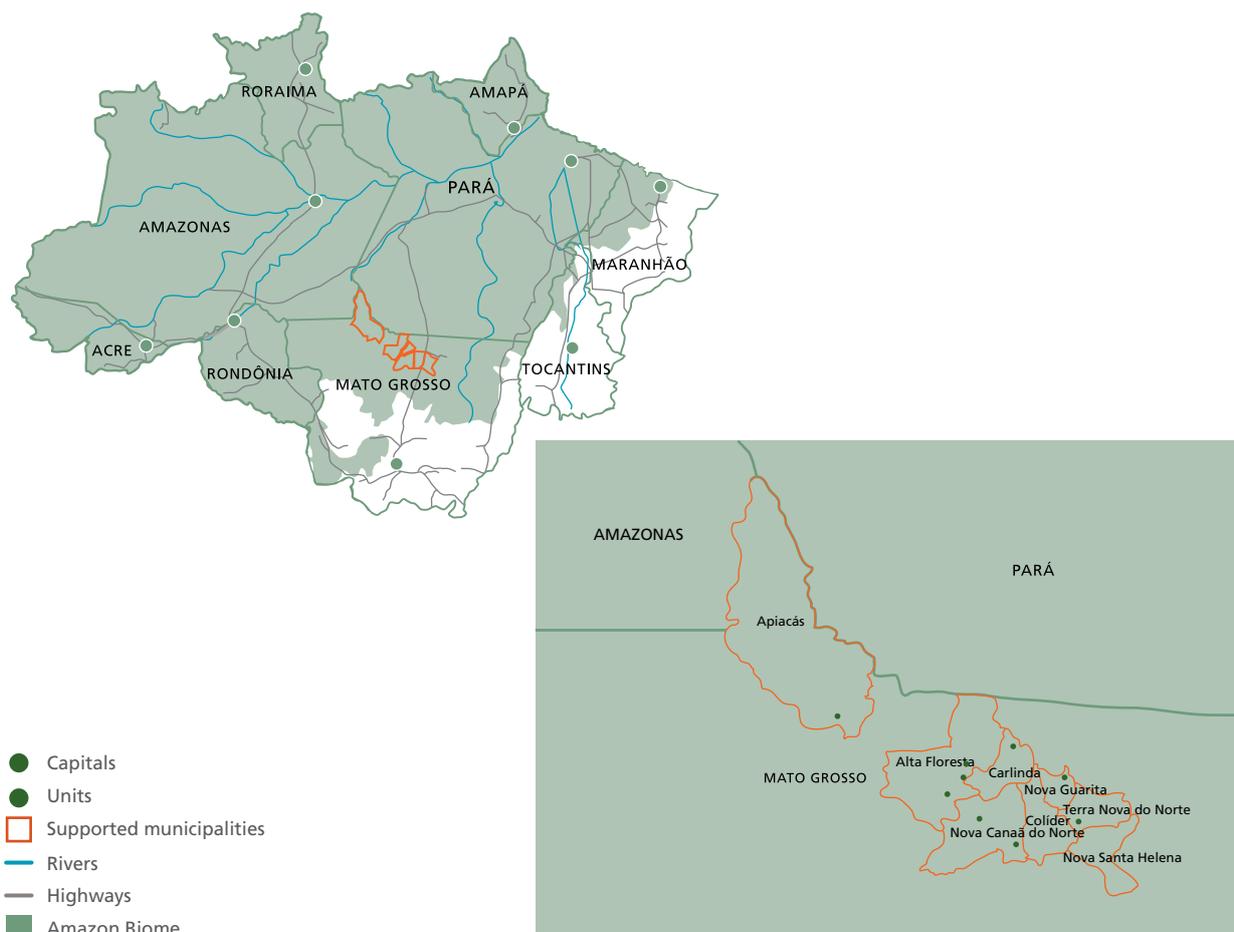
Up to R\$ 16,086,000.00
(US\$ 6,866,728.94)

ESTIMATED COMPLETION DATE

60 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
10.1.2013	12.5.2013	-	0%



CONTEXTUALIZATION

The Ouro Verde Institute (IOV) is a non-governmental organization (NGO), headquartered in the municipality of Alta Floresta. In 2010, the IOV's first project was approved within the scope of the Amazon Fund, and its objectives were to foster the environmental recovery of 1,200 hectares of degraded areas and to revitalize family farming in six municipalities in the Portal of the Amazon region.

Using agroforestry systems (SAFs) to foster environmental recovery of degraded areas enhanced the perception – which developed throughout the first project – that SAFs can create a sustainable production alternative for family farmers in the region. This is the main focus of the second project.

THE PROJECT

The project aims to expand environmental recovery of degraded areas making use of the methodology used in the first phase of the project and to include species of economic interest into parts of the recovered areas. This also entails stimulating the development of commercialization channels for forest products, generating know-how agroforestry economics and consolidating the Seed Network. Research is also carried out on collecting, improving and storing seeds and monitoring agroforests, among other efforts.

INTERVENTION LOGIC

• Products and services

- » Organizing commercialization channels for seeds and agro-forest products, as well as designing strategies to raise funds to continue financing projects related to agroforests.
- » Technical advisory on collecting and improving seeds

- » Strengthening community seed storage houses
 - » Training technical teams and family farmers in SAFs, technological alternatives, community management, as well as exchanging know-how
 - » Implementing SAFs in 1,550 hectares of degraded areas in small properties owned by family farmers
 - » Technical advisory on planning and accompanying the SAFs
 - » Enriching species of commercial interest on 400 hectares for plantations within SAFs that have already been set up on small properties owned by family farmers
- **Specific aims**
 - » To expand the aggregate value of sectors for seeds and agroforests
 - » To expand managerial and technical capacities to implement SAFs and improve agroforest products and seeds
 - » To recover deforested and degraded areas and use them for economic purposes through SAFs
- **General aim**
 - » To implement activities that maintain the forest standing and that are economically attractive in eight municipalities in the state of Mato Grosso

SOCIOBIODIVERSIDADE PRODUTIVA NO XINGU

PRODUCTIVE SOCIO-BIODIVERSITY IN XINGU

PROJECT MANAGEMENT

Socio-environmental Institute (ISA) <www.socioambiental.org>

TERRITORIAL SCOPE

The Xingu River Basin, covering 11 municipalities in the state of Mato Grosso and two in the state of Pará

BENEFICIARY

The population dwelling in the Amazon Biome

OBJECTIVE

To provide support aimed at structuring and strengthening the value chains for socio-biodiversity in the Xingu basin, including forest seeds and saplings, rubber, Brazil nuts, souari nuts (pequi) and fruit together with the indigenous and extraction populations, and the family farmers, in order to improve the standards of living for these populations and increase sustainable agroforestry and extraction production.

TOTAL COST OF THE PROJECT

R\$ 8,915,396.00
(US\$ 3,805,769.47)

AMAZON FUND SUPPORT

Up to R\$ 8,023,856.00
(US\$ 3,425,192.36)

ESTIMATED COMPLETION DATE

36 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
12.3.2013	-	-	0%



CONTEXTUALIZATION

The Xingu River Basin is representative of the socio-environmental and cultural diversity in the Amazon, receiving a wide array of economic cycles that vie for occupation, such as timber exploration, cattle-raising and, more recently, grain production. Among the traditional people, there are 26 indigenous groups, whose territories represent 39% of the basin, which neighbor several Conservation Units (CUs) comprising one of the largest corridors of the Amazon's Protected Areas, covering 28 million hectares (55% of the total area of the basin). The Protected Areas have played an important role in containing deforestation despite the ongoing threat in the dispute for natural resources.

Using water resources to generate energy has been intensified in the basin, with small hydroelectric power plants (PCHs) at their springs, and the Belo Monte plant in the greater Xingu region. These projects, along with other investments in infrastructure, encourage migratory flows in the region. On the other hand, the fact that public spheres have implemented new policies and that regional networks have taken on socio-environmental responsibility, in conjunction with the growing demand in the internal and external markets to know about the origin of products, have brought about specific initiatives. Such undertakings are aimed at sustainable production of non-wooden forest products from extraction and agroforestry practices.

While on the rise over the last few years and of the utmost importance to traditional communities, socio-biodiversity products occupy a small part of the formal economy. Far from the main markets, limited access to capital and information, infrastructural shortcomings and the scarcity of skilled labor are some of the challenges.

THE PROJECT

The project submitted by the Socio-environmental Institute (ISA) proposes to provide support to family farmers, indigenous people and communities working with extraction in the Xingu River Basin. The project aims to contribute to making feasible institutional and production agroextraction systems associated with sustainable value chains, constructing solutions that align production and environmental conservation in the Xingu Basin, while incorporating public policies focusing on the Amazon Region.

As a project that brings together many aspects and players, it will be joined directly by 12 other entities, ranging from extraction, indigenous and rural associations, to environmental and indigenous non-governmental organizations, as well. Activities will be developed to improve production and the commercialization of non-wooden forest products (PFNM), such as rubber, copaiba oil, Brazil nuts and souari nuts (pequi), as well as

consolidating the production of fruit pulp, generating income for family farmers, preserving and recovering degraded areas in Agrarian Reform settlements.

The value chain of forest saplings and seeds will be promoted by including new communities and increasing production. This will make it possible to enhance quality and expand. Other efforts will be focused on strengthening commercial relations between communities and companies that acknowledge and value socio-environmental services that these populations provide.

INTERVENTION LOGIC

• Products and services

- » Supporting production of forest seeds, Brazil nuts, rubber, copaiba oil, babaçu berries and souari nuts (pequi)
- » Increasing access for family farmers, extraction workers and indigenous people to government purchasing programs
- » Fostering the development of markets for PFM using instruments and commercial relations that value socio-environmental services that these populations provide
- » Expanding improvements and consolidating the production sector for agroecological fruit pulp between the Xingu and Araguaia rivers
- » Promoting workshops on good practices, exchanging technical know-how and producing informative and pedagogical material for initiatives, such as the Xingu Seed Network, the fruit pulp plants and the extraction activities at Terra do Meio
- » Enhancing the production capacity for saplings and seeds by implementing nurseries and a seed house
- » Foster agroforestry plantations on indigenous land of the Wawí and Marāwatsédé people and the Manah, Fartura and Dom Pedro settlements

• Specific aims

- » To strengthen activities making sustainable use of the forest and biodiversity in the Xingu River Basin
- » To expand the range of agro-forest product sectors with aggregated value in the Xingu River Basin
- » To improve and expand managerial and technical capacities in the Xingu River Basin to implement agroforestry systems, agroextraction production and improvements to agro-forest products
- » To recover deforested and degraded areas and to use them for economic purposes and conservation in the Xingu River Basin

• General aim

- » To implement activities that keep the forest standing and that are more economically attractive in the Xingu River Basin

PESCA SUSTENTÁVEL

SUSTAINABLE FISHING

PROJECT MANAGEMENT

WWF – Brazil <www.wwf.org.br>

TERRITORIAL SCOPE

Municipalities of Manuel Urbano, Feijó and Tarauacá, in the state of Acre

BENEFICIARY

Some 60 local fishermen and close to 300 river-dwelling families that will take part in the community surveillance system for the lakes

OBJECTIVE

To foster managing measures aligned with fishing accords to reduce the degradation of aquatic ecosystems by establishing sustainable economic alternatives to deforestation in the state of Acre

TOTAL COST OF THE PROJECT

R\$ 3,205,943.00
(US\$ 1,368,540.44)

AMAZON FUND SUPPORT

Up to R\$ 3,205,943.00
(US\$ 1,368,540.44)

ESTIMATED COMPLETION DATE

36 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
12.30.2013	-	-	0%



CONTEXTUALIZATION

Fishing is one of the most traditional and important extraction activities in the Amazon, representing a vital food source for local communities. Nevertheless, over the last few decades, as a result of the growth in fishing and the inappropriate use of rivers and lakes on the plains, the first signs of stock depletion of some species have appeared, as have conflicts over access to and ownership of fishing areas.

Within this context, fishing agreements have been drawn up, beginning with community mobilization and interaction between the several users of fishing resources in the manageable area so as to define the proposals for using the lakes. This is to be followed by a declaration in a regional forum and the subsequent submission of the agreement to Brazilian Institute of Environment and Renewable Natural Resources (IBAMA). IBAMA, in its turn, is to forward the proposal for regulatory approval by means of an inter-ministerial ruling, involving the Ministry of the Environment and the Ministry of Fishing. Inspection and protection of the lakes is central to the good performance of the community management system and, consequently, of the fishing agreements.

The project covers three municipalities in the state of Acre: Manoel Urbano, Feijó and Tarauacá. Together, these three municipalities account for 35% of the state's territorial scope.

THE PROJECT

The project aims to foster new management measures tied to fishing agreements in order to reduce the destruction of aquatic ecosystems by offering sustainable economic alternatives to deforestation. The main focus is on managing the *Arapaima gigas* species, known in Brazil as the pirarucu fish. The pirarucu is one of the largest fresh-water scaled fish in the world and can reach up to three meters, weighing close to 200 kilograms. Due to its commercial value, it is an endangered species.

The scope of the project includes the following efforts: an analysis on the economic-ecological feasibility and the potential of the expanding management practices, as well as the pirarucu production sector, with the aim of helping design the necessary efforts to expand management practices and strengthen the pirarucu production chain; developing and consolidating a participative management system for pirarucu in the municipalities of Manoel Urbano, Feijó and Tarauacá by consolidating, expanding and regulating, at least, 15 fishing agreements in these municipalities, covering close to 20 lakes; developing principles and criteria for pirarucu certification; and disseminating the results of the project to replicate good practices and the lessons learned regarding the sustainable use of the pirarucu fish.

INTERVENTION LOGIC

- **Products and services**

- » Facilitating the collective construction of fishing agreements, as well as holding regional workshops and forums for discussion
- » Technical support and supply of inputs for fishing operations
- » Developing a standard for managing the pirarucu certification and application of this standard in the area covered by the project
- » Technical support and capacity-building for good management practices and increasing the pirarucu fish supply
- » Devising an economic and ecologically-feasible plan, as well as a strategy to produce and commercialize pirarucu fish in the area covered by the project
- » Increasing not only the pirarucu numbers, but also fishing and systematization of fishing statistics, by training fishing communities to carry out such tasks

- **Specific aims**

- » To manage the pirarucu production chain and boosting aggregate value
- » To implement a pirarucu management system in 15 lakes on the plains

- **General aim**

- » To boost the attractiveness of sustainable fishing in the municipalities Manoel Urbano, Feijó and Tarauacá (Acre)

QUINTAIS AMAZÔNICOS

AMAZON BACKYARDS

PROJECT MANAGEMENT

Center for Studies on Culture and the Environment in the Amazon (Rioterra) <www.rioterra.org.br>

TERRITORIAL SCOPE

Municipalities of Machadinho d'Oeste, Cujubim and Itapuã do Oeste in the state of Rondônia

BENEFICIARY

Small family farmers

OBJECTIVE

To provide support for family farmers and those in Agrarian Reform settlements in the state of Rondônia, residents in the municipalities of Itapuã do Oeste, Cujubim and Machadinho d'Oeste, in order to: (i) enroll rural properties in the Rural Environmental Registration (CAR); and (ii) carry out planting and conduct research on agroforestry systems to recover altered or degraded areas on legal reserves and permanent preservation areas

TOTAL COST OF THE PROJECT

R\$ 9,117,000.00
(US\$ 3,891,829.40)

AMAZON FUND SUPPORT

R\$ 9,117,000.00
(US\$ 3,891,829.40)

ESTIMATED COMPLETION DATE

48 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
7.30.2013	12.4.2013	-	0%



CONTEXTUALIZATION

The state of Rondônia covers an area of 237,576.167 km² in the North Region of Brazil and borders the states of Mato Grosso to the East, Amazonas to the North, Acre to the West and is also on the border of the Republic of Bolivia to the West and South. Most of the forests in the three municipalities covered by the project (Itapuã do Oeste, Cujubim and Machadinho d'Oeste) are conserved, but they are located on the deforestation boundary in Rondônia.

The strategy of the Center for Studies on Culture and the Environment in the Amazon (Rioterra) – a non-profit organization, created in 1999, which operates in the state of Rondônia through projects aimed at the environment, education and culture – is to use agroforestry systems (SAFs) to establish a protective barrier around the remaining forests, prioritizing not only the areas close to the Conservation Units, but also those that are more environmentally vulnerable in these municipalities.

THE PROJECT

The project seeks to support family farmers and those in the Agrarian Reform settlements in the state of Rondônia to develop SAFs so as to recover deforested areas and generate income through planting and conducting research on cultures selected and adapted to the region's soil and climate.

The scope of the project includes the following efforts: support for environmental regularization of properties through Rural Environmental Registration (CAR) of family farmers; recovery of degraded or altered areas by implementing the SAFs; exchanging experiences, training in good management practices and rural technical assistance.

The project is also being supported by the city council of Itapuã do Oeste (producing saplings in the municipal nursery), the National Institute for Colonization and Agrarian Reform (INCRA) (authorization to implement projects in the settlement) and the Federal University of Rondônia (conducting research and studies on soil and landscape).

INTERVENTION LOGIC

• Products and services

- » Registering and collecting data and georeferencing the rural properties in the project
- » Implementing 500 hectares of agroforestry systems (SAF) in degraded areas on small properties owned by family farmers in the municipalities of Itapuã do Oeste, Machadinho d'Oeste and Cujubim in the state of Rondônia

- » Expanding the municipal nursery in Itapuã do Oeste
 - » Payment for environmental services to family farmers in the project
 - » Technically assisting small family farmers for production in agroforestry systems
 - » Training family farmers in techniques to produce saplings and agroforestry production
 - » Training family farmers to manage associations and cooperatives as a means to accessing the market
 - » Expanding the laboratory to select saplings in the municipal nursery in Itapuã do Oeste
 - » Structuring the laboratory to analyze soil at the Federal University of Rondônia
- **Specific aims**
 - » To recover deforested and degraded areas for use in production, by means of the agroforestry systems (SAFs), in the municipalities of Itapuã do Oeste, Machadinho d'Oeste and Cujubim in the state of Rondônia
 - » To expand managerial and technical training to implement agroforestry systems, management of cooperatives and associations
 - » To produce and disseminate know-how and technologies aimed at sustainable use of renewable sources in Rondônia
- **General aims (impacts)**
 - » To promote activities that maintain the forest standing and that are economically attractive in the municipalities of Itapuã do Oeste, Machadinho d'Oeste and Cujubim in the state of Rondônia
 - » To promote science, technology and innovation activities that contribute to recovery, conservation and the sustainable use of forests in the state of Rondônia

MAMIRAUÁ

MAMIRAUÁ

PROJECT MANAGEMENT

Mamirauá Sustainable Development Institute (IDSM)
<www.mamiraua.org.br>

TERRITORIAL SCOPE

Municipality of Tefé; Mamirauá Sustainable Development Institute (RDSM) – municipalities of Uarini, Fonte Boa and Maraã; Amanã Sustainable Development Reserve (RDSA) – municipalities of Maraã, Barcelos and Coari

BENEFICIARY

IDSM, local communities in RDSM and RDSA, scientific community, Conservation Unit managers (CUs) and other communities benefiting from the know-how produced within the scope of the project

OBJECTIVE

To support efforts for participative management in the RDSM and RDSA, with research, developing and disseminating know-how in the following areas: sustainable farming and cattle-raising, sustainable timber forest management, sustainable non-timber forest management, environmental education, environmental protection and monitoring

TOTAL COST OF THE PROJECT

R\$ 8,504,678.54
(US\$ 3,630,444.01)

AMAZON FUND SUPPORT

R\$ 8,504,678.54
(US\$ 3,630,444.01)

ESTIMATED COMPLETION DATE

60 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
12.18.2012	8.7.2013	ON 9.26.2013 R\$ 1,238,521.30	R\$ 1,238,521.30 (US\$ 528,695.14)	15%



CONTEXTUALIZATION

The Mamirauá (RDSM) and Amaná (RDSA) Sustainable Development Reserves are located in the Médio Solimões region, in the state of Amazonas, and cover an area close to 3.5 million hectares of flooded and dry forest.

As the Conservation Units (CUs) are classified as Sustainable Development Reserves, in Mamirauá and Amaná, scientific research is encouraged and local populations are allowed to live there and use the natural resources available, provided that this is done in accordance with the management plan and the zoning system designed for this purpose.

The Mamirauá Sustainable Development Institute (IDSM) shares the management of the reserves with the Amazonas State Secretariat for the Environment and Sustainable Development, conducting research and providing support to manage natural resources and for participative management.

The institute's efforts in the Mamirauá and Amaná Reserves, which the federal government has identified as national research laboratories, contribute to generating technologies and know-how on managing resources and CUs, helping to increase the effectiveness of such units in protecting and sustainably managing natural resources.

THE PROJECT

The project receiving support from the Amazon Fund will enable the IDSM to develop participative management efforts in the RDSM and the RDSA, through research, developing and disseminating know-how so as to help enhance the effectiveness of the CUs in protecting the sustainable management of natural resources.

Efforts will be developed to train individuals to implement agroforestry systems (SAFs), sustainable cattle-raising and timber and non-timber forest management; technical assistance to extract andiroba and copaiba oil; a pilot experience in refrigerating fruit pulp from the SAFs on the reserves for commercialization; environmental education activities; training voluntary environmental agents and running environmental protection missions; monitoring the use of soil in the fields and remote monitoring based on satellite images focused on changes in soil use.

INTERVENTION LOGIC

• Products and services

- » Research, experimentation, training and technical assistance in agroforestry systems, sustainable cattle raising and timber and non-timber forest management

- » Training voluntary environmental agents and running environmental protection missions
- » Researching and monitoring in the fields with remote detection of habitat conversion
- **Specific aims**
 - » To produce and disseminate know-how and technologies aimed at the sustainable use of biodiversity in CUs in the Amazon Biome
 - » To produce and disseminate know-how and technologies aimed at monitoring and controlling CUs in the Amazon Biome
- **General aim (impact)**
 - » To help science, technology and innovation efforts contribute to conservation and the sustainable use of the Amazon Biome

PROGRAMA DE QUALIFICAÇÃO DA GESTÃO AMBIENTAL

ENVIRONMENTAL MANAGEMENT QUALIFICATION PROGRAM

PROJECT MANAGEMENT

Brazilian Institute of Municipal Administration (IBAM) <www.ibam.org.br>

TERRITORIAL SCOPE

Municipalities in the Amazon Biome

BENEFICIARY

Mainly civil servants in the municipal administration focusing on local environmental management, with the possibility of reaching the 529 municipalities in the Amazon Biome, spread across the nine state of the Legal Amazon (Acre, Amapá, Amazonas, Maranhão, Mato Grosso, Pará, Rondônia, Roraima and Tocantins)

OBJECTIVE

To help strengthen environmental management in municipalities in the Amazon biome by: offering training and technical assistance; disseminating know-how and information throughout the network; and stimulating innovation as well as promoting dialogue with other sectors of the government and society in general, within the scope of public environmental policies

TOTAL COST OF THE PROJECT

R\$ 18,853,482.32
(US\$ 8,048,101.00)

AMAZON FUND SUPPORT

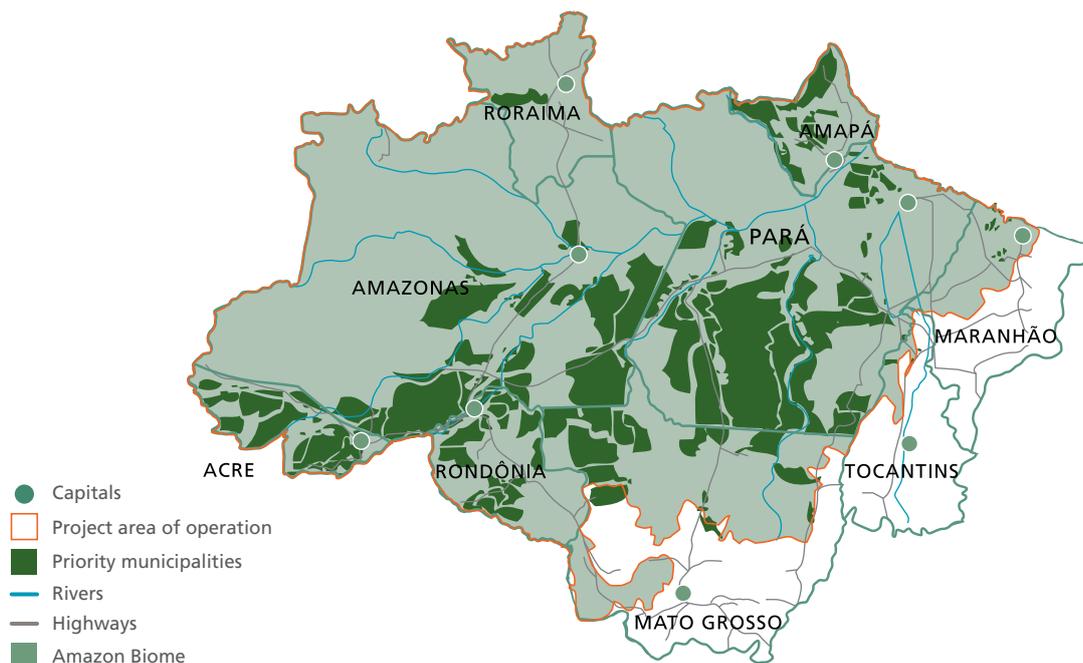
R\$ 18,853,482.32
(US\$ 8,048,101.00)

ESTIMATED COMPLETION DATE

48 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
12.18.2012	2.5.2013	9.10.2013	R\$ 1.175.879,11 (US\$ 501,954.69)	6%



CONTEXTUALIZATION

The Brazilian Institute of Municipal Administration (IBAM) is a non-profit, civil association governed by private law, which operates across the whole of Brazil and abroad, mainly in Latin-American countries and African nations where Portuguese is spoken. Over the course of its history, IBAM has helped introduce new and better practices in municipal government's operations and to improve federal relations, as well as decentralize management throughout the country, in Latin America and Africa, specifically through courses, research and advising governments.

Currently, IBAM efforts are concentrated on helping consolidate local players – government and society – as agents with the capacity to improve the urban-environmental quality in cities and the standards of living for citizens. This can be achieved by modernizing municipal management structures, or by developing the potentialities of the local economy, focusing on production and social inclusion.

With this, the institute seeks to foster the institutional development of municipalities as an autonomous sphere of the government by strengthening the capacity to make public policy, render quality services to citizens and stimulate local development. For this, IBAM conducts studies and training sessions, besides advising municipalities on matters related to municipal public administration. This helps to develop solutions to local problems in accordance with the context within the region.

THE PROJECT

The project at hand is aimed at providing training to civil servants and society's representatives in environmental management and in the use of instruments to implement it. Also, it seeks to promote the exchange of experiences and expertise between participants in the courses offered, using planned strategies that aim to resolve institutional shortcomings in the field of training and know-how.

Benefits of the initiative are extended to members of the municipal legislative branches, which is an important target audience in making local policy, which involve many more segments of local society. This is done by raising the awareness of those working in the municipal legislative sectors concerning environmental issues by holding specific events.

The project also includes making the legal-technical guidelines available to municipalities in the Legal Amazon on an Internet site, even offering contact with specialists the project has hired to answer consultations, as well as providing access to studies and know-how related to environmental management.

Awards will be given to those municipalities that stand out for having adopted efforts and projects that foster the preservation of natural resources and sustainable local development, besides holding events for municipalities and states with the aim of decentralizing environmental management.

INTERVENTION LOGIC

- **Products and services**

- » Training civil servants and society's representatives in environmental management using long-distance learning
- » Raising the awareness of those working in the municipal legislative sectors concerning environmental issues by holding specific events
- » Building online educational communities for trainees in environmental management and raising awareness of those working in the municipal legislative sectors
- » Making legal-technical guidelines available to municipalities on an Internet site to Exchange experiences, offer consultation with specialists the project has hired, as well as providing access to studies and know-how related to environmental management
- » Offering awards to those municipalities that stand out for having adopted efforts and projects that foster the preservation of natural resources and sustainable local development
- » Sharing information and holding events with state and municipal governments in the Amazon Biome aimed at fostering the decentralization of environmental management

- **Specific aim**

- » To enhance the qualification of municipal institutions for environmental monitoring, control and accountability so as to better conduct environmental management in the Amazon Biome

- **General aim (impact)**

- » To help governmental efforts in all municipalities within the Amazon Biome aimed at maintaining and adjusting man-made activities to meet environmental legislation

PEQUENOS PROJETOS ECOSSOCIAIS NA AMAZÔNIA

SMALL ECO-SOCIAL PROJECTS IN THE AMAZON

PROJECT MANAGEMENT

Society, Population and Nature Institute (ISPN) <www.ispn.org.br>

TERRITORIAL SCOPE

States of Mato Grosso, Tocantins and Maranhão, limited to the Amazon Biome

BENEFICIARY

Family farmers, traditional people and communities in the Amazon Biome

OBJECTIVE

To help conduct four public calls-to-bid to select and finance low-cost socio-environmental projects for family farmers, traditional people and communities in areas within the Amazon Biome in the states of Mato Grosso, Tocantins and Maranhão

**TOTAL COST
OF THE PROJECT**
R\$ 15,755,179.21
(US\$ 6,725,509.46)

**AMAZON FUND
SUPPORT**
R\$ 12,843,876.04
(US\$ 5,482,743.71)

**ESTIMATED
COMPLETION DATE**
60 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON	TOTAL AMOUNT DISBURSED
7.3.2012	9.25.2012	11.9.2012	R\$ 2,927,382.70 (US\$ 1,249,629.71)
		R\$ 579,400.00	
2 ND DISBURSEMENT ON	3 RD DISBURSEMENT ON	4 TH DISBURSEMENT ON	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
8.8.2013	11.11.2013	12.17.2013	23%
R\$ 848,000.00	R\$ 914,050.00	R\$ 585,932.70	



CONTEXTUALIZATION

The Society, Population and Nature Institute (ISPN) is a non-profit civil association, founded in April 1990 and headquartered in Brasília. Over the course of its history, the ISPN has operated in conjunction with governmental entities that deal with the environment and family farming.

Besides this, the institute, together with partners and organized society, has sought to identify opportunities to include biodiversity products from the Hinterland (Cerrado) on the production line of industrialized foodstuffs. The aim of this effort is to increase the sectors for socio-biodiversity products, and, with this, add value to the “standing” Hinterland Biome (Cerrado).

In this area, efforts are made through the Small Eco-social Projects Program (PPP-Ecos), an initiative underway since 1994, and which, through public calls-to-bid, provides support to low-cost socio-environmental projects aimed at family farmers, as well as traditional people and communities.

Concerning the state and municipal governments, the ISPN’s efforts are limited to the existing dialogue between the community organizations that it supports. With this, the institute seeks to influence the efforts made by state and municipal governments that can facilitate public policy.

THE PROJECT

This project aims at maintaining and expanding the PPP-Ecos in the region where the Hinterland Biome (Cerrado) meets the Amazon Biome, specifically including community projects in the areas of the Amazon Biome, in the state of Mato Grosso, Tocantins and Maranhão.

For this, four calls-to-bid will be issued to select non-governmental projects from non-profit associations and cooperatives in the communities in the Amazon Biome.

This is expected to stimulate the potential production of local communities by enabling more interaction with the eco-systems in the region. Positive impacts expected include the reduction in deforestation and environmental degradation, as well as improvements in the generation of jobs and income.

Indirectly, the Project is expected to help strengthen the work being carried out in society’s institutional networks throughout the region, fostering better management capacities through training and exchange programs.

INTERVENTION LOGIC

- **Products and services**

- » Supporting eco-social projects aimed at agroforestry and agroecological systems, as well as forest management
- » Supporting eco-social projects aimed at improving the commercialization of products
- » Exchanging technical aspects of economic activities that make sustainable use of and improve products between community associations
- » Systematizing lessons learned through follow-up on eco-social projects
- » Training community associations to manage eco-social projects

- **Specific aims**

- » To guide community associations to identify and develop the sustainable use of the forest and biodiversity
- » To guide community associations in strengthening local production systems aimed at improving and commercializing agroextraction products
- » To expand managerial capacity so as to implement eco-social projects in traditional populations

- **General aim (impact)**

- » To maintain the forest standing through economic activities making sustainable use of the biodiversity in the deforestation belt in the states of Mato Grosso, Tocantins and Maranhão

ACTIVITIES CONDUCTED

The project seeks to help hold four public calls-to-bid, in the amount of R\$ 1.5 million (US\$ 640,314.15) each, for direct investment into small socio-environmental projects for family farmers, as well as traditional people and communities.

Two public calls-to-bid were issued, and selecting projects entailed holding 14 regional workshops to publicize them. These workshops included the participation of close to 500 individuals representing some 230 community associations and other organizations from the third sector that develop sustainable production activities earmarked for priority audiences in the project.

From the first call-to-bid, some 22 small projects were selected that were on the brink of implementation. Enrollment for the second call-to-bid was closed in December 2013.

FUNDAÇÃO BANCO DO BRASIL FUNDO AMAZÔNIA

BANCO DO BRASIL FOUNDATION – AMAZON FUND

PROJECT MANAGEMENT

Banco do Brasil Foundation (FBB) <www.fbb.org.br>

TERRITORIAL SCOPE

Amazon Biome

BENEFICIARY

Traditional communities in the Amazon (indigenous groups, remaining slave-communities [quilombos], rubber tappers and river-dweller that survive off fishing and family farming etc.); family farmers, rural workers involved in settlement projects, low-income population or those at risk of social exclusion in the Amazon Biome region; as well as collective undertakings and/or solidarity economies, non-profit institutions governed under private law, public administration entities directly or indirectly linked to municipal, state or federal governments, besides research support foundations

OBJECTIVE

To provide support to projects that make it feasible to develop production activities in accordance with conservation and the sustainable use of the Amazon Biome

TOTAL COST OF THE PROJECT

R\$ 25,000,000.00
(US\$ 10,671,902.50)

AMAZON FUND SUPPORT

R\$ 15,000,000.00
(US\$ 6,403,141.50)

ESTIMATED COMPLETION DATE

24 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 2.15.2013	2 ND DISBURSEMENT ON 4.25.2013	3 RD DISBURSEMENT ON 12.26.2013
5.15.2012	6.18.2012	R\$ 4,237,534.45	R\$ 1,881,051.10	R\$ 568,400.00

TOTAL AMOUNT DISBURSED

R\$ 6,686,985.55
(US\$ 2,854,514.31)

TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT

45%



CONTEXTUALIZATION

The Banco do Brasil Foundation (FBB) began operations in February 1988 aimed at financing projects in a wide array of areas, such as foodstuffs, health, education, employment and housing. It operates in the entire national territory by developing, implementing, accompanying and assessing programs and projects in partnership with other governmental and non-governmental institutions.

The foundation focuses on the social pyramid, specifically the public prioritized in public policies, including indigenous communities, former slave communities [quilombolas] and those in Agrarian Reform settlements. Standing out in the strategic aims is the development of initiatives within the scope of solidarity economies and efforts through multiplying programs that ramp upscale, bringing about social impact in the regions and communities they operate in.

THE PROJECT

The project is part of a technical and financial cooperation proposal between the Amazon Fund and the FBB, aimed at supporting projects that help develop production activities in accordance with conservation and the sustainable use of the Amazon Biome.

Efforts to receive support will be chosen by the foundation based on a territorial diagnosis and on the feasibility and relevance of their application and development. For this, the FBB will engage in dialogue with the local communities to assist in several stages of the process.

With this, it is expected that support will be offered to subprojects such as those structuring solidarity undertakings in production activities in the region, namely, açaí, cupuaçu fruit, Brazil nuts, bananas, cocoa, beekeeping, fish farming, babaçu berries, guarana berries, oils and essences, cassava root, passion fruit, local fishing, rubber, arts and crafts and agroecology.

Social technologies are expected to be re-applied in several areas, for example, food safety, recovery of degraded areas, rational management and the use of soil in agroforestry systems, as well as support for efforts aimed at land-title regularization and environmental licensing, sustainable forest management, reforestation, forest certification and recovery of deforested areas.

INTERVENTION LOGIC

• Products and services

- » Implementing projects to be selected to help develop production activities in accordance with conservation and the sustainable use of the Amazon Biome

- **Specific aims**

- » To expand access for rural producers to land-title regularization
- » To expand access for rural producers to environmental regularization
- » To identify and develop economic activities in the sustainable use of the forest and biodiversity
- » To expand sectors for agroforestry products and biodiversity with aggregate value
- » To expand technical and managerial capacity to develop economic activities in the sustainable use of the forest and biodiversity
- » To recover deforested and degraded areas to use for economic purposes and ecological conservation
- » To produce and disseminate know-how and technologies aimed at the sustainable use of the Amazon Biome

- **General aims (impacts)**

- » To implement land-use planning in the Amazon Biome area
- » To adjust sustainable production activities in the forest and using biodiversity in the Amazon Biome to meet environmental legislation
- » To make activities that maintain the forest standing economically attractive in the Amazon Biome
- » To help science, technology and innovation activities contribute to recovery, conservation and the sustainable use of the Amazon Biome

ACTIVITIES CONDUCTED

Some 20 subprojects were selected (of which 15 have already been signed up), which will contribute directly to developing production activities in accordance with conservation and the sustainable use of the Amazon Biome. Aimed at improving the design and facilitating the implementation of subprojects, the FBB established a partnership with an institution that offers help designing and implementing subprojects, regularizing associations and cooperatives, as well as providing consultation on environmental licensing.

The subprojects receiving support already include a broad spectrum of efforts. The priority public includes indigenous ethnic groups and family farmers. For the former group, the following efforts, which are already underway, should be emphasized: development of a production line of organic Brazil nuts (in the states of Rondônia and Mato Grosso) in communities linked to the ethnic groups Gavião, Arara, Cinta Larga and Zóro, as well as support to generate sustainable income for the Kayapó communities, by making it feasible to stock Brazil nuts by acquiring raw materials from the Kayapó collectors.

In the support for those in the Agrarian Reform settlements and other family farmers, the following efforts warrant mention: implementing 175 social technology units for Integrated and Sustainable Agro-ecological Production (PAIS) in the states of Tocantins and Rondônia, which stimulates the practice of organic farming through production processes that do not use agrotoxins; support to manage the production of babaçu berries by implementing a small agroindustrial plant in a settlement in the state of Rondônia; implementation of a nursery with native fruit saplings in the state of Rondônia; support for agricultural production, improvement and moving in the settlement project in Vila Amazônia in the city of Parintins and in the community of Santo Antônio do Murituba; technically and administratively structuring the production of organic guarana berries in the state of Rondônia, by reactivating a small agroindustrial plant for guarana berries; developing the production of shade-grown and organic coffee in the state of Rondônia; developing honey production in the state of Roraima, training beekeepers, implementing hives, obtaining a state inspection seal, with some 26 tons of honey already acquired by the National Food Supply Company in the State of Roraima (CONAB-RR) for the Family Farming Food Acquisition Program.

These subprojects are already underway and some 1,735 families have already benefited.

ASSENTAMENTOS SUSTENTÁVEIS NA AMAZÔNIA

SUSTAINABLE SETTLEMENTS IN THE AMAZON

PROJECT MANAGEMENT

Amazon Environmental Research Institute (IPAM) <www.ipam.org.br>
Project site: <http://assentamentosustentavel.org.br/>

TERRITORIAL SCOPE

The western region of the state of Pará, covering the municipalities of Anapu, Pacajá, Senador José Porfírio, Mojuí dos Campos and Aveiros

BENEFICIARY

Some 2,769 families settled in the Agrarian Reform of the Institute of Colonization and Agrarian Reform (INCRA), serving approximately 13,845 people

OBJECTIVE

To provide support to develop a demonstrative experience in the INCRA settlements, in the western region of the state of Pará, on sustainable production besides implementing payment for environmental services provided by families committed to reducing deforestation

TOTAL COST

OF THE PROJECT
R\$ 25,482,194.37
(US\$ 10,877,739.75)

AMAZON FUND SUPPORT

R\$ 24,939,200.37
(US\$ 10,645,948.59)

ESTIMATED COMPLETION DATE

60 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 9.21.2012	2 ND DISBURSEMENT ON 11.27.2013
11.29.2011	2.14.2012	R\$ 4,491,898.55	R\$ 3,963,198.91
TOTAL AMOUNT DISBURSED R\$ 8,455,097.46 (US\$ 3,609,279.03)		TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT 34%	



CONTEXTUALIZATION

The Amazon Environmental Research Institute (IPAM) is non-profit and was founded in 1995. It carries out several activities aimed specifically at the population in the Amazon (small rural producers, extraction workers, river-dwellers, and indigenous people).

In the Brazilian Amazon, according to IPAM researchers, approximately 730,000 properties under 100 hectares occupy an area of 13.3 million hectares and are responsible for 15% of the total loss of the Forest coverage (29% of this loss is attributed to properties measuring from 100 ha to 1,000 ha, while 56% is attributed to those measuring over 1,000 ha). Nevertheless, small properties are proportionately deforested more than medium-sized or large properties, with an average between 51% (10 ha to 100 ha) and 78% (up to 10 ha) of their areas suffering from deforestation.

Within the context of the settlements of the Agrarian Reform, up to 2010, close to 3,000 projects were created in the Amazon in an area of almost 460,000 km². Settlement projects present some obstacles, such as difficult access to technical assistance and the rural area, the need for incentives to foster sustainable production alternatives, the intensification of farming and cattle-raising in already cleared areas, as well as the lack of incentive for sustainable forest management.

THE PROJECT

The Sustainable Settlements in the Amazon project is aimed at developing and implementing a demonstrative model for sustainable agricultural production in small rural properties in the western region of the state of Pará. This seeks to improve the land-title situation and local production, while maintaining the forest standing, generating benefits for the climate and biodiversity, as well as, mainly, fostering a change in the local development model, boosting income and promoting food safety.

To achieve this goal, the project is divided into two components:

- **Subproject 1:** To develop and implement a sustainable production model in small properties located in three settlements in municipalities in the western region of Pará, including activities to systematize and disseminate the experience.
- **Subproject 2:** To pay 350 families living near the BR-230 Transamazon Highway for any deforestation that is avoided or prevented, as well as preparatory efforts to implement land-title and environmental regularization of these family properties.

INTERVENTION LOGIC

• Products and services

- » Updating the Land-use Plans (UPs) for 350 family production areas
- » Geo-referencing and registration of family production areas
- » Technically supporting improvements to farming and cattle-raising practices, and making machinery and farming equipment available to 650 families
- » Payment for Environmental Services (PSA) to 350 families
- » Implementing demonstrative projects for community Forest management in three settlements
- » Monitoring deforestation on properties that benefit from PSA, as well as maintaining indicators
- » Designing business plans to commercialize products from 20 community organizations
- » Implementing structures to improve agroforest products in 20 community organizations
- » Restructuring settlement governance systems (co-management)
- » Technical training of 90 settlement members in community forest management
- » Strengthening settlement networks and disseminating know-how acquired through the project

• Specific aims

- » To expand access for settlement members to environmental regularization
- » To expand the number of properties with land titles in order near the BR-230 highway
- » To identify and develop economic activities with sustainable use of the forest and biodiversity in settlements
- » To expand agroforest production with aggregate value in settlements
- » To expand technical and managerial capacities to implement agroforestry systems, Forest management and agroextraction production in settlements

• General aims (impacts)

- » To help man-made activities carried out in the western region of the state of Pará meet environmental legislation
- » To implement land-use planning in the western region of the state of Pará
- » To help activities that maintain the forest standing to become economically attractive in settlements in the western region of the state of Pará

ACTIVITIES CONDUCTED

To get the project up and running, IPAM held two management courses, with the participation of more than 60 settlement leaders. This enabled the creation of three groups with settlement representatives and other social agents dedicated to participative planning of the project.

Presenting the project to the local families facilitated in bringing in institute technicians, who collected data so as to design a socio-economic and environmental diagnosis, as well as georeferencing the land. Collecting this data, besides granting permission for families to begin registration on the Rural Environmental Registration (CAR), helped in taking decisions regarding planning and analyzing the effectiveness of the project's efforts.

A market research study was carried out for products from family farming in the western region of the state of Pará in partnership with the Federal Rural University of the Amazon, as a strategy to define production activities to which the project would provide support.

Payment for environmental services (PSA) to 350 families in the family farmer hub in the region of the Transamazon Highway and an area known as Xingu is being implemented.

FUNDO KAYAPÓ

KAYAPÓ FUND

PROJECT MANAGEMENT

Brazilian Biodiversity Fund (FUNBIO) <www.funbio.org.br>

TERRITORIAL SCOPE

Indigenous land (TIs) Kayapó, Menkragnoti, Baú and Badjonkôre, in the southern region of the state of Pará; and TI Capoto-Jarina, in the northern region of the state of Mato Grosso

BENEFICIARY

Kayapó Indigenous Communities

OBJECTIVE

To provide support to Kayapó organizations aimed at sustainable production activities, strengthening institutions, preventing deforestation, conserving biodiversity and territorial protection by implementing a long-term financial and operational mechanism, known as the Kayapó Fund

TOTAL COST OF THE PROJECT

R\$ 23,300,000.00
(US\$ 9,946,213.13)

AMAZON FUND SUPPORT

R\$ 16,900,000.00
(US\$ 7,214,206.09)

ESTIMATED COMPLETION DATE

72 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 4.26.2012	2 ND DISBURSEMENT ON 5.2.2013
6.21.2011	11.21.2011	R\$ 7,196,000.00	R\$ 154,597.36
TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT	FINANCIAL AMOUNT FROM CONSERVATION INTERNATIONAL (CI)	
R\$ 7,350,597.36 (US\$ 3,137,794.33)	44%	R\$ 7,196,000.00	



CONTEXTUALIZATION

The Kayapó Fund Project focuses on preserving five pieces of Kayapó indigenous land (TIs), located in the southern region of the state of Pará and the northern region of the state of Mato Grosso, in the region situated in the deforestation belt. These include: the Kayapó TI, the Menkragnoti TI, the Baú TI, the Badjonkôre TI and the Capoto-Jarina TI.

These TIs are part of a neighboring bloc located in the Xingu Basin and total an area of 10.6 million hectares. With this, this territory is one of the largest stretches of protected tropical forest in the world. Furthermore, it represents an important section of the Biodiversity Corridor of South Amazonian Ecotones, considered a significant region due to its rich biodiversity and the presence of species that are under the threat of extinction throughout the world.

The five Kayapó TIs are inhabited by close to 8,000 indigenous people of Kayapó ethnicity, who are, through efforts made by their organizations and with the support of the National Indian Foundation (FUNAI), responsible for preserving the borders of their territories, which are under the threat of extreme deforestation. The Kayapó people have had notable success in maintaining the forest coverage on their land.

THE PROJECT

The Kayapó Fund Project plans to construct a long-term financial and operational mechanism, known as the Kayapó Fund, to provide support in developing projects with Kayapó organizations that are aimed at sustainable production activities, strengthening institutions, preventing deforestation, conserving biodiversity and protecting Kayapó TIs.

INTERVENTION LOGIC

• Products and services

- » Creating, capitalizing and operationalizing a financial mechanism known as the Kayapó Fund, aimed at providing ongoing financially-sustainable support to socio-environmental projects in the Kayapó TIs, which seek to: monitor territories; develop sustainable production activities; implement environmental management focusing on protecting and recovering biodiversity; and provide financial support and maintain the Kayapó organizations

- **Specific aims**

- » To identify and develop economic activities employing sustainable use of the forest and biodiversity on the Kayapó indigenous land
- » To expand technical and managerial capacities to implement agroforestry systems, forest management activities, agroextraction production and improving agroforest products in the Kayapó TIs
- » To expand the agroforest goods produced on the Kayapó TIs with aggregate value
- » To improve and structure the capacity to monitor Kayapó indigenous land
- » To improve management of Kayapó land

- **General aims (impacts)**

- » To implement activities that maintain the forest standing and that are economically attractive on the Kayapó TIs in the southern region of the state of Pará and in the northern region of the state of Mato Grosso
- » To implement land-use planning on Kayapó TIs

ACTIVITIES CONDUCTED

The first launch of calls-for-submission for projects, making the amount of R\$ 660,000.00 (US\$ 281,738.23) available to Kayapó institutions. A technical committee was put together to analyze the projects presented in the calls-for-submission N°. 01/2013, and two projects were selected for support in 2013 and 2014.

To define a starting point, diagnosis was carried out related to the standards of living and the situation of Kayapó land.

The Amazon Fund and Conservation International of Brazil put forward R\$ 14.4 million (US\$ 7,8 million) (50% each) to structure the financial mechanism known as the Kayapó Fund, which aims at providing ongoing financially-sustainable support to socio-environmental projects on the Kayapó TIs.

CONHECER PARA CONSERVAR

KNOWING TO PRESERVE

PROJECT MANAGEMENT

The Amazon Museum (MUSA) <www.museudaamazonia.org.br>

TERRITORIAL SCOPE

Municipality of Manaus, in the state of Amazonas

BENEFICIARY

The population of Manaus and neighboring cities, national and foreign tourists, university students, public and private school students and teachers in the state of Amazonas, other parties interested in socio-environmental issues

OBJECTIVE

To implement the MUSA and a training center on the Água Branca settlement, in Manaus, aimed at disseminating know-how that can help add value to and conserve the Amazon's natural resources, as well as its cultural heritage, by means of an innovative model for visiting the forest

TOTAL COST OF THE PROJECT

R\$ 8,454,421.00
(US\$ 3,608,990.26)

AMAZON FUND SUPPORT

R\$ 8,454,421.00
(US\$ 3,608,990.26)

ESTIMATED COMPLETION DATE

36 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 10.4.2011	2 ND DISBURSEMENT ON 3.12.2013
11.30.2010	9.1.2011	R\$ 2,436,885.00	R\$ 3,282,419.00

TOTAL AMOUNT DISBURSED

R\$ 5,719,304.00
(US\$ 2,441,434.19)

TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT

68%



CONTEXTUALIZATION

The Adolpho Ducke Reserve has been systematically studied for more than 30 years, especially by the National Research Institute of the Amazon (INPA). Therefore, it has valuable documentation on its biodiversity, its forest and water ecosystems, as well as its biotic and abiotic interactions.

A part of the project will be carried out on a rural settlement area that neighbors the Adolpho Ducke Forest: the Água Branca settlement. This area is an “ecological corridor” linking the Adolpho Ducke Forest Reserve to the Puraquequara Lake. Today, a large part of these properties are still covered with native forest. Nonetheless, if no measures are taken to assure the ecological corridor is maintained, the reserve runs the risk of conservation losing value due to the fragmentation of the forest and the isolation of the biota.

THE PROJECT

The Amazon Museum (MUSA) will promote an innovative model for visiting the forest and disseminating information on the Amazon Region. The idea is to offer experiences that allow visitors to come into contact with the biological and socio-cultural biodiversity in the Amazon region. For this, the museum will work with the concept of a “living museum” of socio-biodiversity, based on know-how acquired by researchers from Brazilian and international scientific institutions who conducted studies in the Amazon Basin.

The project is structured into two components. One includes a complex of pavilions, tanks, trails, suspended walkways, forest observation towers and stations, interlinked with an area of approximately 30 hectares of the Adolpho Ducke Forest Reserves to the current facilities in the Botanic Gardens in the city of Manaus.

The other component provides support to structure a training center in Água Branca, a settlement area belonging to the National Institute for Colonization and Agrarian Reform (INCRA). The aim is to generate economic options based on the sustainable use of the Amazon Biome, creating a demonstrative model for economic activities that add value to the standing forest, and with the possibility of generating income as well as improving social conditions. Some 36 families currently living on the Água Branca settlement will benefit directly.

INTERVENTION LOGIC

• Products and services

- » Implementing and running MUSA facilities, offering the public an innovative model for visiting, using the “living museum” concept

- » Building and running a training center on the Água Branca settlement to disseminate sustainable farming techniques and Forest management, as well as offering courses associating academic and scientific know-how with traditional know-how.
- **Specific aims**
 - » To disseminate know-how on the Amazon Biome to raise awareness of the population concerning socio-environmental issues and to promote regional tourism
 - » To expand technical and managerial capacities of those living on settlements and the visitors to the training center concerning the sustainable use of biodiversity in the Amazon Biome
- **General aims (impacts)**
 - » To help traditional and scientific know-how contribute to conserving the Amazon Biome and to generate regional income
 - » To implement activities that maintain the forest standing and that are economically attractive in the Amazon biome

ACTIVITIES CONDUCTED

The project has already built the workshop and three observation stations for the museum. One of the stations is already being used as a laboratory to develop research on butterflies and insects. The trail which accesses the location of the observation tower has already been completed, as well. The training center is in the final stages, awaiting some details related to finishings and finalization of lodgings.

Some three training courses have already been held, the last of which was held in partnership with the Institute of Ecological Research (IPE) and focused on theory and practice in implementing agroforest management systems.

Concerning the museum itself, besides holding seminars and conferences, two new exhibitions were inaugurated in the exhibition tents: one dedicated to the Baniwa and Tukano fishing techniques and cosmology from the municipality of Alto Tiquié; and another focused on plants, insects and animals (fish and frogs) that lead an amphibious life in the Amazon. Over the last three years (2011, 2012 and 2013), MUSA received close to 100,000 visitors, most of which were state and municipal public school students.

Since the beginning of its activities, MUSA has provided support to the Direcional Theater in the Manauara Shopping Mall, in Manaus, to hold the program entitled Science at 7 ½, in which specialists from different areas of science give lectures aimed at informing, clarifying and parking general public interest in Amazon issues.

FUNDO DEMA

DEMA FUND

PROJECT MANAGEMENT

Federation of Organs for Social and Educational Assistance (FASE)
<www.fase.org.br>

TERRITORIAL SCOPE

Traditional communities in the state of Pará, focusing on the area affected by the Transamazon and BR-163 highways, as well as the region known as the Lower Amazon

BENEFICIARY

Traditional communities in the Amazon: small producers, former slave communities (quilombolas) and indigenous people

OBJECTIVE

To provide support to low-cost socio-environmental projects by issuing eight calls-to-submission over three years

**TOTAL COST
OF THE PROJECT**
R\$ 9,646,983.00
(US\$ 4,118,066.48)

**AMAZON FUND
SUPPORT**
R\$ 9,347,384.00
(US\$ 3,990,174.83)

**ESTIMATED
COMPLETION DATE**
60 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED 3.15.2011	DATE AWARDED 6.14.2011	1ST DISBURSEMENT ON 8.17.2011 R\$ 590,470.00	2ND DISBURSEMENT ON 1.29.2013 R\$ 1,381,208.00	3RD DISBURSEMENT ON 6.10.2013 R\$ 282,442.46
4TH DISBURSEMENT ON 9.25.2013 R\$ 253,553.00	5TH DISBURSEMENT ON 11.14.2013 R\$ 244,225.11	TOTAL AMOUNT DISBURSED R\$ 2,751,898.57 (US\$ 1.174.719,73)	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT 29%	



CONTEXTUALIZATION

The municipalities located in the region known as the Pará Amazon, especially those close to the Transamazon and BR-163 highways, as well as those in the Lower Amazon region, come under heavy pressure from activities that potentially cause deforestation, such as cattle-raising, timber exploration and soybean production.

The Dema Fund is the result of a partnership between the federal government and civil society. It was created in 2004 using resources from the sale of mahogany logs that were illegally extracted and eventually apprehended, mostly in the region of Altamira and São Félix do Xingu (PA). The Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA), upon apprehending the timber logs, chose to donate them free of charge to the Federation of Organs for Social and Educational Assistance (FASE). The funds raised from the sale of the mahogany logs were then used to compensate the region for the environmental damage caused. With this, yields and gains in the Dema Fund should be used to provide support to sustainable development projects in the western region of the state of Pará.

THE PROJECT

The aim of this project is to provide support for low-cost socio-environmental projects by launching eight public calls-for-submission over a three-year period. The beneficiaries include traditional communities in the Amazon (small producers, former slave communities [quilombolas] and indigenous people), located in the state of Pará, focusing on the areas affected by the Transamazon and BR-163 highways, as well as the Lower Amazon region.

The projects that respond to the public calls-for-submission will be selected and receive support provided they fall within at least one of the following categories: sustainable community forest management; economic activities developed through the sustainable use of the forest; conservation and the sustainable use of biodiversity; and recovery of degraded areas.

INTERVENTION LOGIC

• Products and services

- » Socio-environmental projects selected from the eight public calls-for-submission, receiving support and undergoing monitoring within the scope of the Dema, Quilombola do Pará and Xingu Indigenous People funds
- » The target-audience of the Dema, Quilombola do Pará and Xingu Indigenous People funds to design and implement socio-environmental projects

- **Specific aims**

- » To identify and develop economic activities employing sustainable use of the forest and biodiversity so as to affirm the lifestyle of forest people
- » To expand agroforest production with aggregate socio-environmental value, potentializing food and nutritional safety for the forest people
- » To expand technical capacity within the scope of the forest people organizations to implement agroforestry systems, forest management activities, agroextraction production, territorial management, land-title regularization and improvement of agroforest products
- » To recover and use deforested and degraded areas as a means to determining and guaranteeing the land of the forest people in the region known as the Pará Amazon

- **General aim (impact)**

- » To add value to the activities that maintain the forest standing in terms of cultural, social, environmental and economic aspects, strengthening the forest people in the region known as the Pará Amazon

ACTIVITIES CONDUCTED

In 2011, the Federation of Organs for Social and Educational Assistance (FASE), in conjunction with the Dema Fund, launched the first call-for-submission for Socio-environmental Projects (General and former slave communities [quilombola]), in which some 35 subprojects were approved, of which some 24 have already received resources. The maximum amount of support to each subproject is R\$ 30,000.00 (US\$ 12,806.28).

The subprojects receiving support aim to strengthen and improve andiroba oil and beekeeping with stingless bees; to produce fruit pulp in agroforestry systems; to recover permanent preservation areas with açaí and native essences; to expand fish farming; and to recover degraded areas by implementing agroforest systems (SAFs).

The projects benefit more than 1,200 families, most of which are family farmers, river-dwellers, former slave communities (quilombolas) and indigenous people. Some 17 training events in socio-environmental projects were held, with the participation of 414 people.

The Dema Fund's second public call-for-submission (General and former slave communities [quilombolas]) is in the final stages of selecting subprojects. Some 63 subprojects were submitted, which represents a 31% increase in the number of submissions compared to the first call-for-submission.

Within the context of monitoring and assessing socio-environmental subprojects receiving support from the Dema Fund, in 2013, with the support of a specialist, the 1st Seminar on Indicators was held, aimed at improving know-how on this issue and developing procedures that can add to better quality and more concise assessment of projects.

Between the two first public calls-for-submission, the State Secretariat of the Environment of Pará (SEMA-PA) was created. It is a virtual site to facilitate enrollment to request Exemption from Environmental Licenses (DLA) for projects with low polluting possibilities and low environmental impact. This was the institutional response to the demand from the socio-environmental projects receiving support from the Dema Fund.

The first public call-for-submission run by the Dema Fund/Xingu Indigenous Fund (FIX) was launched in June 2013. The management committee of this fund comprises FASE – Dema Fund, the Missionary Indigenous Council (CIMI) and a further 11 indigenous ethnic groups (Juruna, Arara, Araweté, Asurini do Xingu, Kararaô, Kayapó, Kuruauya, Paraná, Parakanã-Apyterewa, Xipaya and Xikrin). This committee will meet, in April 2014, to pre-select projects in this call-for-submission.

DISSEMINAÇÃO E APRIMORAMENTO DAS TÉCNICAS DE MANEJO FLORESTAL SUSTENTÁVEL

DISSEMINATION AND IMPROVEMENT OF
SUSTAINABLE FOREST MANAGEMENT TECHNIQUES

PROJECT MANAGEMENT

Tropical Forest Institute (IFT) <www.ift.org.br>

TERRITORIAL SCOPE

States of Pará, Amazonas and Rondônia

BENEFICIARY

Workers in the timber and forest sector, as well as operators of heavy machinery, forest communities and small rural producers, government agents, engineers, auditors, administrators, researchers and forest students in high school and higher education

OBJECTIVE

To provide support to expand the practice of sustainable Forest management through training, raising the awareness of key players and workers, as well as applied research

TOTAL COST OF THE PROJECT

R\$ 12,498,000.00
(US\$ 5,335,097.50)

AMAZON FUND SUPPORT

R\$ 7,449,000.00
(US\$ 3,179,800.07)

ESTIMATED COMPLETION DATE

36 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 8.19.2011	2 ND DISBURSEMENT ON 5.17.2012	3 RD DISBURSEMENT ON 10.17.2012
11.23.2010	4.15.2011	R\$ 1,726,119.00	R\$ 956,300.35	R\$ 1,435,925.63
4 TH DISBURSEMENT ON 5.9.2013	5 TH DISBURSEMENT ON 12.20.2013	TOTAL AMOUNT DISBURSED R\$ 6,672,225.98 (US\$ 2,848,213.80)	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT 90%	
R\$ 874,921.00	R\$ 1,678,960.00			



CONTEXTUALIZATION

Strengthening sustainable forest management in the Amazon Biome, as a business or as a practice of traditional communities, is one of the main policies to add value to the forest as an asset in the region, or, as is commonly said, that foster maintaining the forest standing. This practice has highlighted some environmental benefits (minimizing the impact of timber activities), whether they are social (increasing job offers and income for communities and workers in the sector) or economic (increasing the poorly-developed market of managed or certified timber).

The new forest policy, instituted through the creation of the Brazilian Forest Service and through the approval of the Public Forest Management Act, is an important step in this direction and will make it possible to access expressive timber stocks in the region. This in turn will boost the forest vocation in a responsible manner. One of the main bottlenecks that specialists believe may hamper the complete success of this policy is the lack of skilled labor to implement good practices and forest management in the Amazon. Estimates highlight the need for at least 5,000 skilled professionals over the next 10 years.

Besides the critical lack of skilled labor, developing a sustainable timber economy also has the challenge of little or no knowledge concerning the economic, social and environmental advantages from sustainable forest management, and the need to generate and disseminate technical know-how, so as to continuously improve potential environmental and economic benefits.

THE PROJECT

The Tropical Forest Institute (IFT) is a benchmark in sustainable forest management in the Amazon, having worked 15 years in the region. It works mainly with training, raising awareness and research of several components of forest management, especially developing and validating techniques for Exploring Reduced Impact (EIR) that are adjusted to suit tropical forests.

The project seeks to reduce the chronic lack of skilled labor in forest management in the region, as well as changing the perception of the sector concerning the advantages of adopting good practices in timber exploration when compared with conventional exploration. These aims have been met by strengthening the institution's training and awareness activities by holding on-site/off-site courses and events, as well as producing and distributing technical material. Another important feature of the project aims to improve social, economic and ecological sustainability in forest management by expanding the technical and scientific base.

INTERVENTION LOGIC

• Products and services

- » Holding capacity-building courses and practical training sessions in sustainable forest management at the Roberto Bauch Training Center in Paragominas (PA) (on-site)
- » Holding and organizing events to raise awareness in sustainable forest management, with support from partners and other organizations that operate in the forest sector
- » Holding practical training courses on sustainable forest management in the actual forests where there are company and community efforts underway
- » Producing publicity material to raise awareness concerning sustainable forest management
- » Developing research to improve the technical and scientific base for forest management by maintaining existing experiments and establishing new experiments
- » Producing scientific articles and newsletters, as well as technical manuals containing the main results of research

• Specific aims

- » To expand technical and managerial capacities to practice sustainable forest management
- » To produce and disseminate know-how and technologies aimed at the sustainable use of the Amazon Biome

• General aims (impacts)

- » To implement activities that maintain the forest standing and that are economically attractive in the Amazon Biome
- » To implement scientific, technological and innovation activities that help recover, conserve and promote the sustainable use of the Amazon Biome

ACTIVITIES CONDUCTED

Within the scope of the project, more than 1,600 people were trained, of which 949 took 59 on-site courses at the Roberto Bauch Forest Management Center in the municipality of Paragominas (PA). In the off-site courses, held in several locations, including communities that reside on extraction reserves as well as forest sector agencies, some 674 people were trained in 62 courses.

The courses gave covered a wide array of activities linked to forest management, ranging from an operational to a managerial level, such as: MF (Forest Management and Exploration of Reduced Impact), GE (Managing Extraction in Forest Management), GM (Conducting Forest Management and Exploration of Reduced Impact), TD (Forest Management Techniques for Decision Makers), TDW (Forest Management for Decision Makers) and TA (Principles of Forest Management and Certification FSC), TPE (Pre-exploratory Techniques in Forest Management and Exploration of Reduced Impact), TCS (Special Tree-felling Techniques and Safety in Forest Management), TOI (Planning Techniques and Infrastructure Construction in Exploration of Reduced Impact), TOA (Planning Techniques and Dragging Operations in Forest Management) and AMF-SICA (Administration Training in Forest Management).

Another line of efforts in the project is raising the awareness of the relevant players to implement good forest governance in the region through workshops and lectures. Some 50 events have been held since the beginning of the project, reaching an audience of 2,055 people in several municipalities, covering a large number of institutions.

Several activities were also developed to improve the scientific base in forest management based on research in: cipó-titica (hemiepiphytes species of the genus *Heteropsis* used to produce wicker furniture), copaiba oil, an analysis of biomass and absolute/total carbon estimates, assessment of EIR pre-exploratory dynamics from 1996, and study of the analysis of EIR damage, testing planting in cleared exploration areas, testing yields and productivity of production work and the use of traditional forest products: the case for the production of wooden roof shingles (cavacos).

Also tested was the use of forest monitoring systems to accompany the growth of explored forests, and if such use had progressed in assessing the financial feasibility of clearing vegetation for growth and periodic assessment of tree growth after EIR exploration and conventional exploration.

To disseminate technical information the institution produces in the forest management area, seven newsletters, three booklets, two manuals and a leaflet were produced to enhance the development of sustainable forest activities.

GESTÃO SOCIOAMBIENTAL DE MUNICÍPIOS DO PARÁ

SOCIO-ENVIRONMENTAL MANAGEMENT
IN MUNICIPALITIES OF PARÁ

PROJECT MANAGEMENT

Amazon Institute of People and the Environment (IMAZON)
<www.imazon.org.br>

TERRITORIAL SCOPE

11 municipalities in the state of Pará

BENEFICIARY

Total population in 11 municipalities – 482,000 inhabitants, according to the 2008 Census conducted by the Brazilian Institute of Geography and Statistics (IBGE)

OBJECTIVE

To mobilize state and municipal governments, rural producers, unions and associations, aimed at: speeding up adherence to the Rural Environmental Registration (CAR); monitoring deforestation using satellite images; and helping plan landscaping as well as restoring degraded areas in the Uraim River Basin, in the municipality of Paragominas

TOTAL COST OF THE PROJECT

R\$ 9,736,473.00
(US\$ 4,156,267.62)

AMAZON FUND SUPPORT

R\$ 9,736,473.00
(US\$ 4,156,267.62)

ESTIMATED COMPLETION DATE

36 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 1.28.2011	2 ND DISBURSEMENT ON 9.19.2011	3 RD DISBURSEMENT ON 2.24.2012
12.1.2009	7.29.2010	R\$ 747,061.33	R\$ 2,829,395.03	R\$ 1,499,887.07
4 TH DISBURSEMENT ON 9.10.2012	5 TH DISBURSEMENT ON 9.25.2013	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT	
R\$ 1,499,887.06	R\$ 1,738,133.38	R\$ 8,314,363.87 (US\$ 3,549,203.22)	85%	



CONTEXTUALIZATION

The state of Pará is one of the federation's states with the highest deforestation rates, according to 2013 data collected by the National Institute for Space Research (INPE). The project will benefit 11 municipalities within the state: Abel Figueiredo, Bom Jesus do Tocantins, Moju, Dom Eliseu, Goianésia do Pará, Itupiranga, Jacundá, Paragominas, Rondon do Pará, Tailândia and Ulianópolis.

The municipalities in this project are part of the meso-region known as the Para South East (with the exception of Tailândia). Raising beef cattle, with a herd of more than 2 million head, stands apart as one of the main economic activities in the region. The state of Pará has the fifth largest beef herd in the country, with approximately 17 million head, and the main agricultural products that are produced include rice, beans, soybean and corn, according to the 2009 Census conducted by the Brazilian Institute of Geography and Statistics (IBGE).

It is also important to mention that the Ministry of the Environment has included seven of the 11 municipalities in the project on a list of priority municipalities to prevent and control deforestation in the Amazon. Four of these were later removed from the list as they have been monitoring deforestation and now have it under control.

THE PROJECT

The project IMAZON developed in the state of Pará is based on incentives for rural producers to adhere to the Rural Environmental Registration (CAR), making territorial regularization of the properties a possibility, as well as access to credit.

CAR enables municipal and state environmental agencies to have a more precise understanding with regards to the rural areas in their territories. Adhering to CAR implies a commitment from rural owners – confirmed when signing the Term of Conduct Change (TAC) – to recover degraded areas, which also helps exclude those municipalities, which these rural areas belong to, from the list of municipalities that deforest more in the Amazon.

The project monitors deforestation in these municipalities using satellite images. IMAZON uses its monthly deforestation monitoring system, known as the Deforestation Alert System (SAD), to guide efforts that help inspect and reduce deforestation.

It is worth mentioning that the Paragominas territory – which is one of the municipalities that have most benefited from the project – contains the Uraim Basin, whose permanent preservation areas have largely been degraded, which has put the city's water supply at risk. Close to 185 km long, the Uraim River supplies almost

80% of Paragominas' water. One of the aims of the project is to focus on planning the river basin's landscape to restore the degraded areas.

Analyzing satellite images helps identify the level of degradation of the area so as to define the better measures to take. Based on this information, a plan to recover the basin will be produced and used to: (i) guide those property owners in the region that sign the term of conduct change for environmental regularization of CAR; (ii) help implement a city council program to plant saplings; and (iii) aid analysis of business potential with carbon sequester via forest recovery in the region.

INTERVENTION LOGIC

• Products and services

- » Local training in geo-processing and remote sensing to combat deforestation and design CAR
- » Designing and signing pacts to reduce deforestation in the municipalities
- » Boosting environmental monitoring to the scale of the municipality
- » Assessing adherence to the TAC for environmental regularization of rural properties
- » Designing a digital map to a scale of 1:50.000 (or as close as possible) in the territory of 11 municipalities in the state of Pará
- » Developing methodology for more efficient participative land-title mapping to help CAR, which will be tested in the municipalities of Tailândia and Abel Figueiredo
- » Assessing and monitoring federal and state government efforts aimed at land-title regularization
- » Planning landscaping to recover forests in the Uraim River Basin
- » Assessing the business potential with carbon sequester in the Uraim Basin

• Specific aims

- » To structure and modernize monitoring, control and environmental accountability
- » To increase the number of properties enrolled in CAR, as well as the area
- » To expand land-title regularization, conducting it in a transparent, safe and swift fashion
- » To begin recovery of the deforested and degraded areas in the Uraim River Basin, implementing economic uses and ecological conservation

• General aims (impacts)

- » To help efforts made by governments and non-governmental organizations in 11 municipalities in the state of Pará to guarantee the combat of deforestation and environmental regularization of properties in compliance with environmental legislation
- » To help 11 municipalities in the state of Pará to finalize the land-title situation, helping land-use planning
- » To recover deforested and degraded areas in the Uraim River Basin, implementing economic uses and ecological conservation

ACTIVITIES CONDUCTED

IMAZON helped prepare 10 municipalities to sign environmental regularization pacts in the state of Pará (as well as the municipality of Paragominas). Municipalities signed such pacts with local production sectors and society, establishing a commitment to environmental regularization, focusing on controlling deforestation and CAR for rural properties.

IMAZON's support to organize the pacts included, among many other aspects, dialogue with key players, as well as technical support to design and revise pact documentation. Approximately 3,700 people took part in the event to sign the pacts, with 277 sectors representing society adhering (unions, associations, public spheres etc.) in the 10 municipalities.

SAD was applied in the 11 municipalities benefiting from the project, generating monthly information for the municipal environmental agencies, for the Pará State Secretariat of the Environment and for the Public Prosecutor's Office to help them all combat deforestation.

Concerning training for geotechnology applied to municipal environmental management, some 54 municipal technicians were trained, as were 14 local association representatives, totaling 68 people. This was aimed at strengthening local capacities to interpret and use geotechnical information and resources in environmental management. Training covered: (i) Introduction to Geotechnology, (ii) Collaborative monitoring of deforestation (focus on verification in the field); (iii) Geotechnology applied to CAR (using GPS, participative mapping, QGIS and Simlam); and (iv) Environmental legislation and inspection.

Geographic reference bases were built in the scale 1:50.000 for the 11 municipalities in the project to help space management in the municipality as a whole and, especially, to receive the blueprints of the rural properties in the CAR activities and Rural Environmental Licensing (LAR).

The forest coverage was mapped out in permanent preservation areas (APPs) in the 11 municipalities in the project, thus identifying priority areas for forest recovery, given the APP's systemic connection with conserving water sources.

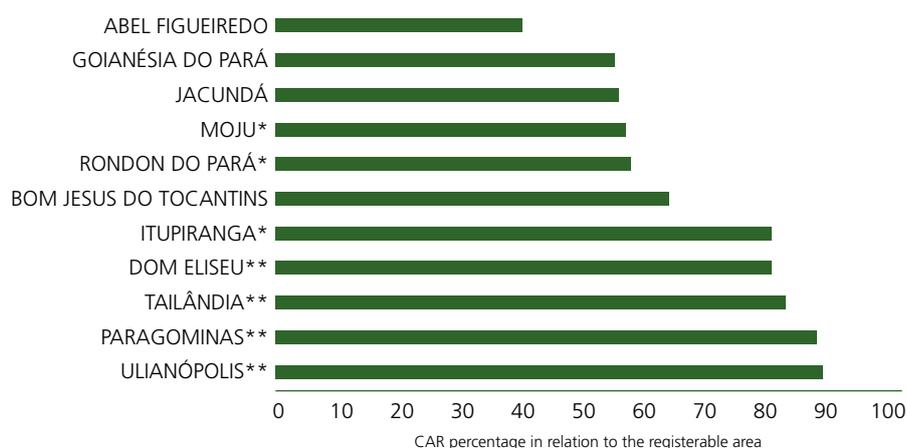
Within the scope of the project, an assessment sought to evaluate the signing and fulfilling of the 42 Terms of Conduct Change (TACs) for environmental regularization of rural properties, resulting in the publication of a report entitled "Analysis of the Terms of Conduct Change to Recover Environmental Damage to Rural Properties in the State of Pará".

Studies were done on the obstacles blocking further advances in land-title regularization within the scope of the Pará Land Institute (ITERPA). This analysis led to the drafting and publication of State Decree N°. 739/2013, which establishes a special process for land-title regularization at a state level in municipalities that meet the target set forth in the Green Municipality Program (PMV). This process should be swifter due to the use of CAR information, but should guarantee broader transparency and access to information on the organ's efforts.

Concerning land-title regularization, in conjunction with other partners, a study was published on the second year of the federal government's Legal Land Program, entitled "Has land-title regularization moved ahead in the Amazon? The two years of the Legal Land Program".

As a result of a collective effort, in which the project took part by including its own efforts, the municipalities Dom Eliseu, Ulianópolis and Tailândia managed to reduce municipal deforestation to less than 40 km²/year and insert CAR in more than 80% of the municipality's registerable area. These cities were then removed from the Ministry of the Environment's black list of municipalities that deforest the Amazon. Paragominas was also on this list; however, it was removed before this project began.

CHART 1: PERCENTAGE OF THE AREA WITH CAR IN THE 11 MUNICIPALITIES IN THE PROJECT IN RELATION TO THE REGISTERABLE AREAS IN EACH MUNICIPALITY



Source: SEMA-PA/Simlam, on 10.21.2013.

* Municipalities that the Ministry of the Environment included on the list of priority municipalities for efforts to prevent and control deforestation in the Amazon Biome.

** Municipalities that are monitoring and have deforestation under control, and which have been removed from the list of priority municipalities.

ÁREAS PROTEGIDAS DA AMAZÔNIA FASE 2

PROTECTED AREAS IN THE AMAZON – PHASE 2

PROJECT MANAGEMENT

Brazilian Biodiversity Fund (FUNBIO) <www.funbio.org.br>
Project site: www.programaarpa.org.br

TERRITORIAL SCOPE

All the state in the Amazon Biome

BENEFICIARY

The population residing and living in the surrounding areas; workers and institutions responsible for management; management councils; and municipalities involved in the territories of the Conservation Units (CUs) that are served by the program

OBJECTIVE

To provide support to create and consolidate the CUs in the Amazon Biome, so as to assure conservation of the biodiversity and maintain the ecological processes and services in the region

TOTAL COST

OF THE PROJECT
R\$ 164,294,880.00
(US\$ 70,133,557.62)

AMAZON FUND SUPPORT

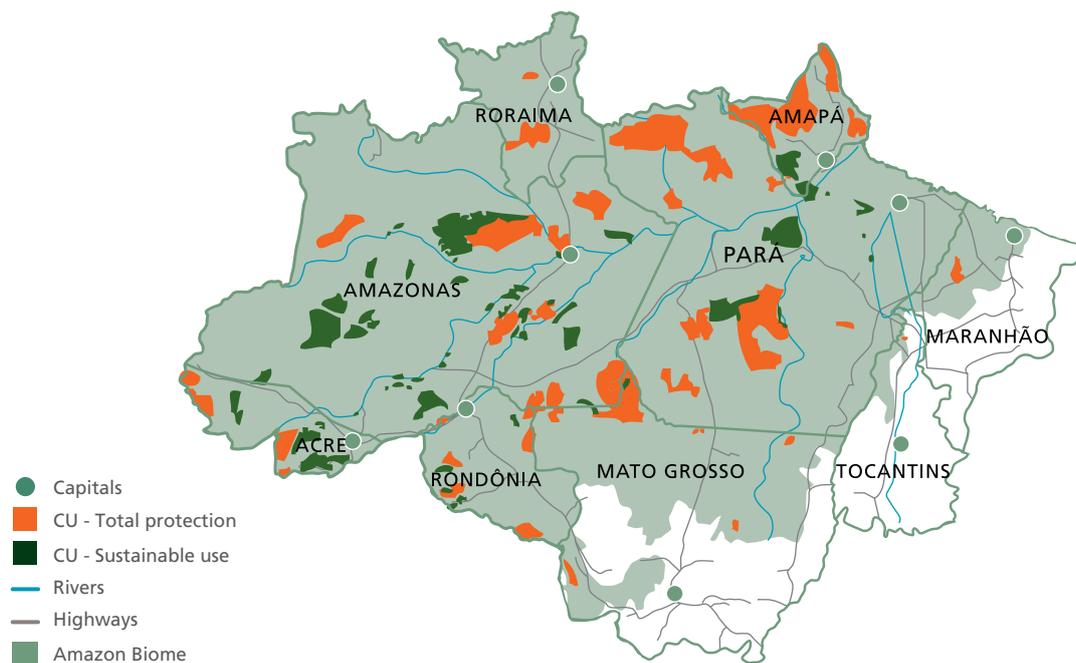
R\$ 20,000,000.00
(US\$ 8,537,522.00)

ESTIMATED COMPLETION DATE

48 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED 12.8.2009	DATE AWARDED 4.22.2010	1ST DISBURSEMENT ON 10.27.2010 R\$ 4,999,230.90	2ND DISBURSEMENT ON 1.26.2012 R\$ 5,000,000.00
3RD DISBURSEMENT ON 11.21.2012 R\$ 5,000,000.00	4TH DISBURSEMENT ON 8.27.2013 R\$ 2,500,000.00	TOTAL AMOUNT DISBURSED R\$ 17,499,230.90 (US\$ 7,470,003.44)	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT 88%



CONTEXTUALIZATION

The creation of the Protected Areas is one of the main strategies for conserving biodiversity. Brazil, as a signatory of the UN's Convention on Biological Diversity (CDB), has significant targets to protect its eco-systems. In the Brazilian Amazon, efforts to reach these goals have advanced significantly over the last few decades, with the creation of Conservation Units (CUs), which cover 22.2% of the Amazon Biome, in the categories referred to as integral protection and sustainable use.

As society understands more and becomes more engaged in discussion on climate change, it has become quite evident that the CUs, with their forest ecosystems, have contributed enormously to maintaining carbon stocks and, especially in the Amazon, due to the large stretches of forestland and to deforestation.

In 2000, the National System of Conservation Units (SNUC) established the current instruments used to create and manage CUs, as well as their categories. With the federal scope, the Chico Mendes Institute for Conserving Biodiversity (ICMBIO), created in 2007, is the main player in SNUC activities. The institute is responsible for proposing, implementing, managing, protecting, inspecting and monitoring the CUs implemented by the federal government.

The program Protected Areas in the Amazon (ARPA) is considered one of the largest in the world in terms of environmental conservation. The first phase, carried out between 2002 and 2009, helped support the creation and consolidation of 43 CUs, totaling 24 million hectares, besides having made it feasible to consolidate the other 8.5 million hectares for CUs previously created.

In addition, the program made it possible to create and implement the Computerized System for Coordination and Management of the ARPA Program (SisArpa), as well as running 14 community projects in the surrounding areas of the CUs for integral protection. The Protected Area Fund (FAP) also raised capital of close to US\$ 29.7 million, and, in the future, it will operate as a financial mechanism to provide long-term financial sustainability for the CUs that have been consolidated within the scope of this program.

THE PROJECT

The projects aim to provide support to: create new CUs in areas with bio-geographic representativeness; consolidate existing CUs, by building basic infrastructure, signage, protection, monitoring biodiversity, designing an education and management plan, as well as maintaining consulting and advisory councils; strategic planning in conjunction with the CUs, and incentives to create management mosaics; and promoting financial

sustainability, through fund raising strategies and preserving capital from the fiduciary fund in the long term, besides identifying the appropriate mechanisms to generate revenue.

INTERVENTION LOGIC

• Products and services

- » Identifying priority areas to create CUs
- » Strengthening and integrating levels of management in the ARPA program
- » Managerial and operational structuring for CUs
- » Support to manage FAP so as to provide long-term financial sustainability for consolidated CUs

• Specific aims

- » To create and implement new CUs within the scope of the ARPA program
- » To consolidate existing CUs within the scope of the ARPA program

• General aim (impact)

- » To implement land-use planning in the area of the Amazon Biome

ACTIVITIES CONDUCTED

Support was provided to consolidate 94 CUs by designing management plans, holding meetings with CU management councils, activities for territorial consolidation, designing and implementing protection plans and purchasing basic management equipment. As a result, the following CUs have reached a basic level of consolidation: the Serra dos Três Irmãos Ecological Station; the Xingu State Park; the Juruena National Park; the Serra do Divisor National Park; the Alto Tarauacá Extraction Reserve; the Arapixi Extraction Reserve; the Unini River Extraction Reserve; the Jutá River Extraction Reserve; the Xingu River Extraction Reserve; and the Niquiá Ecological Station.

One unit, the Jarú Biological Reserve, reached an advanced level of consolidation and is now ready to access FAP resources.

To help create CUs, three environmental studies were done in the units in the Manicoré River, the Aripuanã River and the Vale do Rio Corda. A socio-environmental analysis was carried out in the Aripuanã River, and a public consultation was conducted concerning Riozinho do Rola.

Some 12 plans for sustainable action were selected and two plans for action from indigenous people within the scope of the subcomponent "Integration of Communities", to be implemented as of September 2013.

The Amazon Legal Land Program, of the Ministry of the Agricultural Development (MDA), received support to earmark public land in the Amazon for sustainable use and environmental preservation. As a consequence, the Ministry of the Environment received some 952,000 hectares to create new CUs.

Operational planning for the 2014-2015 period was approved by the ARPA Program committee.

Details were established for the CU operational planning for the 2014-2015 period to make it more feasible to carry out the project using the Cérebro system (ARPA's management and financial control system).

ARPA's capacity-building plan, in the final design stages, will strategically guide all the training activities aimed at CU managers and advisors.

VIRADA VERDE

GOING GREEN

PROJECT MANAGEMENT

The Nature Conservancy do Brasil (TNC Brasil)
<portugues.tnc.org/tnc-no-mundo/americas/brasil/index.htm>

TERRITORIAL SCOPE

12 municipalities in the states of Mato Grosso and Pará

BENEFICIARY

Municipal councils and rural producers in general in the cities covered by the project

OBJECTIVE

To help mobilize local players in 12 municipalities in the state of Mato Grosso and Pará, seeking adherence to Rural Environmental Registration (CAR), and monitoring deforestation in the region using satellite images

TOTAL COST OF THE PROJECT

R\$ 19,200,000.00
(US\$ 8,196,021.12)

AMAZON FUND SUPPORT

R\$ 16,000,000.00
(US\$ 6,830,017.60)

ESTIMATED COMPLETION DATE

36 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON	TOTAL AMOUNT DISBURSED
12.1.2009	4.13.2010	5.14.2010	R\$ 11,612,778.00 (US\$ 4,957,217.38)
		R\$ 772,778.00	
2 ND DISBURSEMENT ON	3 RD DISBURSEMENT ON	4 TH DISBURSEMENT ON	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
6.9.2011	9.8.2011	9.25.2012	
R\$ 3,000,000.00	R\$ 3,000,000.00	R\$ 4,840,000.00	73%



CONTEXTUALIZATION

The area covered by the project includes 12 municipalities in the Amazon Biome, of which some are located in a transitional area bordering on the Hinterland Biome (Cerrado). There are seven municipalities in the state of Mato Grosso (Campos de Júlio, Cotriguaçu, Juruena, Nova Mutum, Nova Ubiratã, Sapezal and Tapurah) and five in the state of Pará (Bannach, Cumaru do Norte, Ourilândia do Norte, São Félix do Xingu and Tucumã). Mostly, these municipalities are home to economic activities that are linked to timber exploration, cattle-raising, or soybean, suffering from deforestation.

Nova Ubiratã, Tapurah, Nova Mutum, Sapezal and Campos de Júlio are part of the soybean hub in the state of Mato Grosso, where part of the rural properties have several pending issues regarding environmental legislation.

The municipalities Cotriguaçu and Juruena are located in the northeastern region of the state of Mato Grosso, where timber exploration is quite prominent, and this was once a priority area in the Integrated Environmental Management Plan (PGAI).

The municipalities São Félix do Xingu, Ourilândia do Norte, Tucumã, Cumaru do Norte and Bannach are located in the region known as São Félix do Xingu, in the state of Pará, where cattle-raising for beef is the main use of soil. This region is high on the Ministry of the Environment's list of priority municipalities for efforts to prevent and control deforestation. Still, despite registering the highest deforestation rates in the Amazon in terms of the total area, the region also has the largest remaining forest and is one of the most important Protected Area mosaics (indigenous land and Conservation Units) in the state of Pará.

THE PROJECT

This project seeks to raise awareness, mobilize and integrate stakeholders – such as state and municipal governments, associations, unions and rural producers – to implement an economic development model based on environmental adjustment and the socio-environmental sustainability of the territory. This will be achieved by promoting the Rural Environment Registration (CAR) and fostering environmental regularization of rural properties in seven municipalities in the state of Mato Grosso and five in the state of Pará.

The project seeks, among other factors, to foster rural producers' adherence to CAR, with at least 10 million hectares with an updated map and high-resolution satellite images available.

INTERVENTION LOGIC

• Products and services

- » Dialogue with municipal governments aimed at raising the awareness of rural producers to establish an economic development model based on socio-environmental adjustments and seeking adherence to CAR
- » Assessing the participation of the legal reserves (RLs) and the permanent preservation areas (APPs) in conserving biodiversity
- » Creating an environmental monitoring system for rural properties which will be made available to environmental agencies and updated annually based on deforestation activities
- » Implementing local zoning by generating landscaping scenarios to guide strategic legal reserve compensation plans and making regional plans for APP recovery plans
- » Updating the map in the scale 1:25.000 with georeferencing of rural establishments and operational support for rural producers to adhere to CAR and environmental licensing
- » Implementing the Registration and Monitoring Portal for rural establishments directly interfacing with the Mato Grosso and Pará State Secretariats of the Environment, and integration with the More Environment program, of the Ministry of the Environment
- » Incentives for rural producers to adhere to licensing processes, identifying financial sources for support to help the farming and cattle-raising sector adjust to meet environmental legislation

• Specific aims

- » To structure and modernize state environmental management institutions in the state of Pará and Mato Grosso for monitoring, control and accountability in forest management
- » To make information and data on local forest management accessible; to make information on rural property land-title regularization accessible in seven municipalities in the state of Mato Grosso and five municipalities in the state of Pará

• General aim (impact)

- » To help governmental and non-governmental efforts assure that man-made activities are adjusted to meet environmental legislation in the state of Pará and Mato Grosso

ACTIVITIES CONDUCTED

The project has been implemented in partnership with the State Secretariats of the Environment of Mato Grosso (SEMA-MT) and Pará (SEMA-PA), and with the municipal councils and agencies representing rural producers in the cities of Bannach, Campos de Júlio, Cotriguaçu, Cumarú do Norte, Juruena, Nova Mutum, Nova Ubiratã, Ourilândia do Norte, São Félix do Xingu, Sapezal, Tapurah and Tucumã, in a total of 10 million hectares that has already been mapped out, with approximately 8.5 million hectares on land with CAR as part of the state systems, as can be seen in Table 2.

TABLE 2: AREA REGISTERED IN THE CAR ENVIRONMENTAL SYSTEM

Integrated Environmental Monitoring and Licensing System (Simlam) – SEMA-MT		Integrated Environmental Monitoring and Licensing System (Simlam) – SEMA-PA	
City	Registered area (in ha)	City	Registered area (in ha)
Campos de Júlio	297,852.27	Bannach	221,127.00
Cotriguaçu	169,666.22	Cumarú do Norte	1,532,607.00
Juruena	132,203.83	Ourilândia do Norte	260,798.00
Nova Mutum	534,133.00	São Félix do Xingu	3,666.390
Nova Ubiratã	646,417.59	Tucumã	388,344.00
Sapezal	444,707.04	Subtotal	6,069,266.00
Tapurah	221,357.90	States of Mato Grosso and Pará	Registered area (in ha)
Subtotal	2,446,337.85	Total	8,515,603.85

Implementing rooms and environmental observatories allowed municipalities to continue helping rural producers to enroll in CAR. And, in the municipalities in the state of Pará receiving support from the Amazon Fund, efforts to adhere to CAR and reduce the deforestation rates provided these municipalities access to the so-called Green VAT sales tax (ICMS).

Another tool implemented for municipal management were the environmental portals (PAM), aimed at processes that involve regularizing the RLs and APPs. Aligned with the environmental regularization process for rural properties is the pursuit to guarantee the conservation of biodiversity on private land through dialogue with the farming and cattle-raising sector and incentives for production with good farming practices and strategy property planning.

Within the scope of the project, individualized reports were produced for each rural property, containing information on the location of environmental assets on these properties, in order to plan recovery and regularization of the legal reserves and permanent preservation areas, aimed mainly at forming ecological corridors. Besides this, these environmental reports are made available to each producer so they can register their requests for environmental licensing for production activities on their land.



BOLSA FLORESTA

FOREST ASSISTANCE PROGRAM

PROJECT MANAGEMENT

Sustainable Amazon Foundation (FAS) <www.fas-amazonas.org>

TERRITORIAL SCOPE

20 state Conservation Units (CUs) in the Amazon, covering close to 10 million hectares

BENEFICIARY

CU populations covered by the project, increasing the number from 14 to 20 CUs by 2013

OBJECTIVE

To foster control of deforestation and improve the standards of living for traditional populations residing in the state CUs in the Amazon

TOTAL COST OF THE PROJECT

R\$ 29,934,645.00
(US\$ 12,778,384.51)

AMAZON FUND SUPPORT

R\$ 19,169,087.00
(US\$ 8,182,825.10)

ESTIMATED COMPLETION DATE

60 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED 11.24.2009	DATE AWARDED 3.31.2010	1ST DISBURSEMENT ON 5.12.2010 R\$ 3,999,208.00	2ND DISBURSEMENT ON 10.27.2011 R\$ 3,110,293.00
3RD DISBURSEMENT ON 10.5.2012 R\$ 3,643,020.00	4TH DISBURSEMENT ON 10.4.2013 R\$ 3,481,672.00	TOTAL AMOUNT DISBURSED R\$ 14,234,193.00 (US\$ 6,076,236.79)	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT 74%



CONTEXTUALIZATION

The state of Amazonas has managed to maintain close to 98% of its forest coverage. The so-called “heart of the forest” in the biome has remained rather intact, mainly due to the low rates of deforestation which usually accompany colonization projects, highway construction and predatory activities including timber exploration, as well as farming and cattle-raising. On the other hand, traditional and indigenous populations have occupied land which has played an active role in conserving their territories. Almost half the surface of the state has been classified under some category of protection.

Nevertheless, merely creating a Conservation Unit (CU) does not guarantee, per se, environmental preservation. Other initiatives are required, including management, inspection and mainly adding value to the active/living forest, so that maintenance can become attractive. In the case of units for sustainable use, the depends in involving populations and improving their standards of living through social policies that serve their reality, strengthening the community and increasing the possibility to generate income through sustainable activities.

It is important to take into account that there are predatory activities, represented by the deforestation belt, mainly in the south of the state. Besides this, the lack of sustainable economic alternatives makes felling trees a financial strategy in the region.

THE PROJECT

The Forest Assistance Program (PBF) recognizes values and pays the traditional populations that take on the formal commitment to zero deforestation. The PBF fosters the direct transfer of income to families that adhere to the accord to no longer deforest, which is a broad system of benefits, structured so as to motivate the creation of associations, income, sustainable production and basic social services through its four components: Income, Social, Association and Family.

Furthermore, support programs of a structuring nature are being implemented, and have been divided into five sections: sustainable production, health and education, inspection and monitoring, CU management and scientific development.

Disbursements to the project are distributed as follows: 58% for Income, 10% for Association, with support from the Amazon Fund, and 32% for the efforts from support programs, with resources from the counterparty.

INTERVENTION LOGIC

- **Products and services**

- » Investing in sustainable production performed by the residents association of the Amazonas state CUs, within the scope of the PBF – Income
- » Strengthening the residents association of the Amazonas state CUs for organization and social control in the PBF – Association

- **Specific aims**

- » To identify and develop economic activities with the sustainable use of the forest and biodiversity in the Amazonas state CUs
- » To strengthen existing social organizations and to foster new social organizations

- **General aim (impact)**

- » To implement activities that maintain the forest standing and that are economically attractive in the Amazonas state CUs through social organization activities that empower communities contributing to the sustainable use of natural resources

ACTIVITIES CONDUCTED

With support from the project, some 15 state CUs were served by the PBF Income and Association components. A total of 943 subprojects were implemented to support the generation of income. These projects provide support to several production sectors, such as pirarucu fish farming, açai, Brazil nut, oils and rubber tapping. The PBF, as a whole, covers the equivalent of close to 10 million hectares.

River dwellers and residents in the CUs covered in the project are responsible for managing 14 associations. They can debate and propose solutions, acquiring more and more representativeness within the discussion in the PBF.

Within this context, some 693 support efforts were offered to residents associations, aimed at structuring, besides support to take part in meetings with management councils on the reserves, events and public debates of interest.

Also, some 278 workshops were held for participative planning involving 18,753 participants. They were aimed at increasing the local capacity to organize, fostering the involvement of beneficiaries and creating an environment of commitment and efficiency in implementing planned activities, while respecting the concerns of residents and the situation of each location. Besides this, some 11 meetings were organized with CU leaders within the Forest Assistance Program.

BIODIVERSIDADE

BIODIVERSITY

PROJECT MANAGEMENT

Federal University of Pará (UFPA) and the Research Development and Support Foundation (FADESP) <www.portal.ufpa.br>

TERRITORIAL SCOPE

Municipality of Belém, in the state of Pará

BENEFICIARY

UFPA, scientific community, potential suppliers and companies in the Amazon Region that work with products that come from biodiversity, such as pharmaceuticals and herbicides, and their potential consumers

OBJECTIVE

To expand UFPA's research the infrastructure that is aimed at studying biodiversity, including: (i) building and structuring the Center for Advances Studies on Biodiversity (CEABIO); and (ii) remodeling the Pharmaceutical Planning Laboratory and the Cellular and Molecular Neuro-chemical Laboratory, as well as buying and installing lab equipment for research in biotechnology

TOTAL COST OF THE PROJECT

R\$ 4,639,706.98
(US\$ 1,980,580.02)

AMAZON FUND SUPPORT

R\$ 4,639,706.98
(US\$ 1,980,580.02)

ESTIMATED COMPLETION DATE

24 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 1.8.2013	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
4.24.2012	10.2.2012	R\$ 765,429.18	R\$ 765,429.18 (US\$ 326,743.42)	17%



CONTEXTUALIZATION

Biodiversity or biological diversity, according to the Convention on Biological Diversity – the main worldwide forum on issues related to the topic to which Brazil is a signatory –, may be defined as a variability of living organisms of all origins, such as terrestrial and marine ecosystems, and other aquatic ecosystems, as well as ecological complexes to which they belong, also including the diversity in species within species and of ecosystems.

Brazil, with its territorial magnitude, geographic and climactic diversity, as well as the largest tropical forest coverage in the world, is home to vast biological diversity, which makes it the most important of countries that hold mega-diversity on the planet, covering 15% to 20% of the 1.5 million known species on Earth. In particular, the Amazon Region is considered the place with the largest biodiversity on the planet, even though only a part of such diversity is known.

Maintaining biodiversity enables a supply of several benefits to society, namely: offering environmental services, such as carbon fixation, maintaining water sources, protecting and fertilizing soil, regulating temperature and climate; offering scientific, cultural and aesthetic values among other universally-known values, even if they are intangible or non-monetary; sources of food, pharmaceutical products and chemicals, as well as information to develop biotechnology; and a basis for farming cultures and to improve and develop new agricultural varieties.

Nonetheless, despite such wealth, some factors are responsible for limiting the use of the benefits stemming from the Amazon's biodiversity, such as a lack of knowledge concerning the issue of deforestation, which is responsible for depleting it.

THE PROJECT

The project, coordinated by the Biological Sciences Institute of the Federal University of Pará (UFPA), aims at strengthening the research infrastructure related to studies in biodiversity, focusing on two components.

The first component refers to acquiring equipment and constructing a building to be known as the Center for Advanced Studies in Biodiversity (CEABIO), which will expand the physical space to meet the need of the Biological Sciences Institute and will bring together UFPA research groups. The building will hold several laboratories and rooms which will be used to develop Works in several areas of research on the Amazon's biodiversity.

The second is related to remodeling the Pharmaceutical Planning Laboratory and the Cellular and Molecular Neurochemical Laboratory, as well as buying equipment to be used by UFPA's biotechnology group, which is coordinated by the Biological Sciences Institute, but which also receives researchers connected to the Natural and Exact Sciences.

The laboratories will be structured so as to house the following research: planning and development of pharmaceuticals using the Amazon's biodiversity; isolation of peptides from Amazon seeds using biological activities of biomedical interest; and development of bio-herbicides by characterizing the activities of substances produced by Amazon plants.

INTERVENTION LOGIC

- **Products and services**

- » Constructing and structuring CEABIO at UFPA to conduct research on the Amazon's biodiversity
- » Remodeling the Pharmaceutical Planning Laboratory and the Cellular and Molecular Neuro-chemical Laboratory, as well as buying equipment for UFPA's biotechnology research

- **Specific aim**

- » To produce and disseminate know-how and technology aimed at the sustainable use of the Amazon's biodiversity

- **General aim (impact)**

- » To help science, technology and innovation activities contribute to the recovery, conservation and the sustainable use of the Amazon Biome

ACTIVITIES CONDUCTED

The remodeling of the Cellular and Molecular Neuro-chemical Laboratory is in the final completion stages. A fluorescence microscope with a system to capture images and a system to measure calcium ions in living systems was purchased. Installation of cupboards and benches was finalized for students in the Pharmaceutical Planning Laboratory.

COMPOSTOS BIOATIVOS DA AMAZÔNIA

AMAZON BIOACTIVE COMPOST

PROJECT MANAGEMENT

Federal University of Pará (UFPA) and the Research Development and Support Foundation (FADESP) <www.portal.ufpa.br>

TERRITORIAL SCOPE

State of Pará

BENEFICIARY

UFPA; small farmers, potential suppliers of raw materials to produce bioactive composts; and companies in the Amazon Region that work with products that derive from bioactive composts

OBJECTIVE

To implement a pilot plant in the UFPA food laboratory to produce and characterize extracts rich in bioactive composts; and to develop new products and technological applications using bioactive composts extracted from plants and fruits that are typical to the eastern region of the Amazon.

TOTAL COST OF THE PROJECT

R\$ 1,413,357.00
(US\$ 603,328.32)

AMAZON FUND SUPPORT

R\$ 1,352,336.00
(US\$ 577,279.92)

ESTIMATED COMPLETION DATE

24 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
1.3.2012	8.21.2012	-	0%



CONTEXTUALIZATION

A large part of the economy in the state of Pará is aimed at exploring raw materials, such as rubber, Brazil nuts, mining, fruit and other primary products with low added value. The fruit growing sector has enormous potential yet it is under-explored, as a large part of what is produced is turned into pulp or juice, which are products with low added value and little diversity. Developing new products and technological applications using Amazon biodiversity may be able to add value to the raw materials in the region and become an alternative for economic development in the region. It is worth mentioning that these new products and technologies aim at adding value to the standing forest, creating alternatives to activities that cause deforestation and increasing the draw to sustainable exploration of products in the region.

THE PROJECT

The project, submitted by the Research Development and Support Foundation (FADESP) and to be implemented by the Federal University of Pará (UFPA), aims to develop new products and technological applications using bioactive composts extracted from plants and fruit that are typical to the eastern region of the Amazon.

For this reason, a pilot plant will be set up in the UFPA Food Laboratory Plant, where bioactive composts will undergo extraction, purification, concentration and fractioning processes.

In this project, research to develop new products or technological applications, such as sunscreens, anti-aging creams and encapsulated food supplements, were divided into two different lines: one to be developed in partnership with a private company and a cooperative, and another in which research will be conducted solely by UFPA, with no private partners involved.

INTERVENTION LOGIC

- **Products and services**
 - » Conducting research to develop new products and technologies using bioactive composts from typical plants in the Amazon Biome
 - » Setting up and establishing human resources in the region related to research, development and innovation (RD&I)
 - » Implementing and operating the pilot research to produce bioactive composts
- **Specific aim**
 - » To produce and disseminate technology and know how to develop new products using bioactive composts from typical plants in the Amazon Biome
- **General aim (impact)**
 - » To implement science, technology and innovation activities that contribute to the sustainable use of the Amazon Biome

ILHAS, DE BELEM

BELEM ISLANDS

PROJECT MANAGEMENT

Federal University of Pará (UFPA) and the Research Development and Support Foundation (FADESP) <www.portal.ufpa.br>

TERRITORIAL SCOPE

State of Pará

BENEFICIARY

UFPA; the population living on the islands that surround the city of Belém; and those that carry out public policy in territorial management

OBJECTIVE

To implement a methodology to help establish the economic and environmental zoning at a local scale for the islands surrounding the city of Belém; and to expand the research infrastructure in the Graduate Program for Water and Fishing Ecology at UFPA

TOTAL COST OF THE PROJECT

R\$ 1,138,083.93
(US\$ 485,820.83)

AMAZON FUND SUPPORT

R\$ 1,138,083.93
(US\$ 485,820.83)

ESTIMATED COMPLETION DATE

30 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 11.16.2012	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
1.17.2012	7.17.2012	R\$ 620,525.20	R\$ 620,525.20 (US\$ 264,887.38)	55%



CONTEXTUALIZATION

The region covered by the proposed research includes the islands close to the city of Belém: Combu, Onças, Mosqueiro and Outeiro. This is where the sweet water (at the southern region of the Guajará Bay and to the right of the Guamá River) meets salt water (to the north of Belém, adjacent to the city of Colares). Among the environments that are part of this region are rivers, steams, forests, plains, basins, marshlands and beaches on the islands.

Traditional fishing is quite common in the state of Pará. Small producers usually fish, but it is often associated to other activities. Resources are explored seasonally, using basic work tools. This activity is quite common among the populations that live on the water's edge and on the banks of the rivers and lakes in the interior of the Amazon. On the islands included in this research, most of the population lives on the banks of rivers, mainly surviving off açaí and fishing. The region is part of the local economy, above all supplying primary products.

THE PROJECT

The project in question will apply a multi-criteria analytical methodology based on a Geographical Information System (SIG) on the islands surrounding the city of Belém; specifically, the islands of Combu, Onças, Mosqueiro and Outeiro. Maps will be developed, showing priority areas for environmental conservation and priority areas for sustainable development. In the research, aspects of a biological and socio-economic nature will be assessed.

It is important to mention that collecting, georeferencing and processing biological and socio-economic data will provide detailed information on the local economy, farming skills, reproduction zones and fish feeding habits, among other aspects in the region. Producing maps with this data will provide important information on the region.

Besides this, once research has been concluded, a report will be published on how the methodology used was implemented in the research so as to help similar projects in the Amazon region, mainly in estuary regions.

INTERVENTION LOGIC

• Products and services

- » Conducting research to develop and apply support tools for zoning on the main islands surrounding the city of Belém, raising and processing georeferenced, biological and socio-economic data

- » Building and running the Laboratory of the Graduate Program for Water and Fishing Ecology at the Federal University of Pará (UFPA), as well as acquiring equipment.

- **Specific aims**

- » To produce and disseminate socio-economic and technological know-how aimed at land-use planning at a local scale related to the main islands surrounding the city of Belém
- » To produce and disseminate technologies and know-how related to the water ecology and fishing aimed at sustainable use of the Amazon Biome

- **General aim (impact)**

To implement science, technology and innovation activities that contribute to the sustainable use of the Amazon Biome.

ACTIVITIES CONDUCTED

Activities conducted until now include training in georeferencing, collection and documentation of data retrieved from the field, as well as map production containing collection locations that were visited and the delimitations of sub-basins of interest.

Meetings were held with the Municipal Secretariat of the Environment in Belém and the director of Protected Areas of the Municipal Secretariat of the Environment (SEMMA); with technicians from the Federal Equity Secretariat (SPU); and with the Public Prosecutors' Office in the presence of the following institutions: the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA), SEMMA in Belém, the Pará State Secretariat of the Environment (SEMA-PA), the State Secretariat of Fishing and Aquaculture (SEPAq), representatives from the fishing colony Z-9, as well as from UFPA.

Once reconnaissance was conducted on the islands of Mosqueiro, Cotijuba, Combu and Onças, and once the selection was complete for the streams to be monitored, collection and processing of biological samples began at the Laboratory for Fishing Biology and Water resource Management at UFPA. This was made possible by IBAMA's renewal of licenses to collect biological data.

FLORESTAS DE MANGUE

MANGROVE FORESTS

PROJECT MANAGEMENT

Federal University of Pará (UFPA) and the Research Development and Support Foundation (FADESP) <www.ufpa.br/lama>

TERRITORIAL SCOPE

Municipality of Bragança, in the state of Pará

BENEFICIARY

Traditional communities – Tamatateua and Taperaçu; as well as other communities that are affected by the Caeté-Taperaçu Maritime Extraction Reserve, that benefit indirectly from the project

OBJECTIVE

To research and develop know-how and techniques related to recovering degraded mangrove areas in the North Region of the country; to develop estimate models for biomass, carbon sequester and to assess carbon stocks in mangrove forests; and to expand infrastructure in the Mangrove Ecology Laboratory at UFPA, by constructing a building and purchasing lab equipment

TOTAL COST OF THE PROJECT

R\$ 1,982,143.00
(US\$ 846,129.47)

AMAZON FUND SUPPORT

R\$ 1,982,143.00
(US\$ 846,129.47)

ESTIMATED COMPLETION DATE

36 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 12.7.2012	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
1.24.2012	7.17.2012	R\$ 1,079,947.00	R\$ 1,079,947.00 (US\$ 461,003.56)	55%



CONTEXTUALIZATION

The Mangrove Forests Project will be coordinated by the Mangrove Ecology Laboratory (LAMA), which is located in the Federal University of Pará (UFPA) on the Bragança campus. The Bragança University Campos is also home to the Institute for Coastal Studies (IECOS), where there are laboratories developing research on coastal areas in the Amazon, including Lama.

The project's area of study is located on the Bragança peninsula, where the Marinha Caeté-Taperaçu Maritime Extraction Reserve (RESEX) was implemented. The project is concentrated in two traditional communities in the RESEX, known as Tamatateua and Taperaçu, and in the areas surrounding the state highway, PA-458.

THE PROJECT

The project is aimed at researching and developing techniques and know-how related to recovery of the degraded mangrove areas in the North Region; developing estimate models for biomass, carbon sequester and assessing carbon stocks in the mangrove forests; as well as expanding and improving infrastructure in the Mangrove Ecology Laboratory at UFPA, by constructing a building and purchasing lab equipment.

The models to estimate the potential, capture and store carbon in the mangrove areas in the Amazon Biome may be used in markets that pay for environmental services and to help mechanisms within the Reducing Emissions from Deforestation and Forest Degradation Program (REDD).

The laboratory will make use of research materials and equipment while processing and analyzing collected material. At the end of the project, the laboratory will be used to continue the research being carried out by Lama researchers, helping consolidate a research center aimed at producing scientific knowledge on mangrove ecology in the Amazon.

INTERVENTION LOGIC

• Products and services

- » Building and equipping a laboratory for research on mangrove ecology on the UFPA campus in the municipality of Bragança
- » Conducting research on the Ajuruteua peninsula, in the municipality of Bragança, to develop technology to recover degraded mangrove areas in the Amazon Biome

- » Conducting research to develop estimate models for biomass, carbon sequester and assessing carbon stocks in this ecosystem

- **Specific aim**

- » To generate know-how and develop technology to recover deforested mangrove areas in the Amazon Biome, and to capture and store carbon in this ecosystem

- **General aim (impact)**

- » To implement science, technology and innovation activities contributing to the recovery, conservation and sustainable use of the Amazon Biome

ACTIVITIES CONDUCTED

A forest inventory was carried out in mangrove the area on the Ajuruteua peninsula, in the municipality of Bragança. The inventory was conducted in the first phase of the research to develop technology to recover the degraded mangrove areas in the Amazon Biome. At the same time, mapping was done of the region where there is timber exploration, as well as measuring the rates of plant survival, mortality and growth after replanting.

The local population was engaged for planned mangrove replanting activities, after events were held to raise awareness in the traditional communities at the Caeté-Taperaçu Maritime Extraction Reserve.

INCUBADORA DE POLÍTICAS PÚBLICAS DA AMAZÔNIA

AMAZON PUBLIC POLICIES INCUBATOR

PROJECT MANAGEMENT

Federal University of Pará (UFPA) and the Research Development and Support Foundation (FADESP) <www.naea.ufpa.br>

TERRITORIAL SCOPE

All states within the Amazon Biome

BENEFICIARY

UFPA

OBJECTIVE

To develop an interdisciplinary project on the socio-economic and environmental impacts resulting from the expansion of the economic frontier in the Amazon, within the scope of the Amazon Public Policies Incubator, linked to the Research Forum and Graduate Program in Sustainable Development of the Amazon

**TOTAL COST
OF THE PROJECT**
R\$ 2,704,084.90
(US\$ 1,154,309.22)

**AMAZON FUND
SUPPORT**
R\$ 2,704,084.90
(US\$ 1,154,309.22)

**ESTIMATED
COMPLETION DATE**
24 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 2.16.2012	2 ND DISBURSEMENT ON 10.26.2012
8.2.2011	12.9.2011	R\$ 692,994.70	R\$ 566,989.50
3 RD DISBURSEMENT ON 6.13.2013	4 TH DISBURSEMENT ON 11.27.2013	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
R\$ 706,118.70	R\$ 737,982.00	R\$ 2,704,084.90 (US\$ 1,154,309.22)	100%



CONTEXTUALIZATION

The Amazon High Studies Nucleus (NAEA) is linked to the Federal University of Pará (UFPA), one of the most important research and educational institutions in the North Region. NAEA is a Graduate Program nucleus with three main lines of research: Society, Regional Development and Public Policy; Regional Economics and Sustainable Development; and Environmental Management of Ecosystems.

Besides this, NAEA is responsible for the executive secretariat of the Sustainable Amazon Forum, which encompasses 19 graduate programs working in areas of public policy and sustainable regional development in the nine states that comprise the Legal Amazon.

Linked to this Forum is the Amazon Public Policies Incubator, whose mission is to contribute to conceiving, establishing, accompanying and assessing public policy on sustainable development for the region, relying on scientific knowledge, traditional wisdom and official participation of regional actors.

THE PROJECT

The project aims to strengthen the Amazon Public Policies Incubator, linked to the Sustainable Amazon Forum, through an interdisciplinary research project on socio-economic and environmental impacts resulting from the expansion of the economic frontier in the Amazon.

The first phase of the project will be carried out in all the states that comprise the Legal Amazon, based on data from secondary sources, generating indicators and information that will outline the meso-regions, in each one of the states, that are more vulnerable in socio-environmental terms. Socio-environmental vulnerability encompasses economic, social, political-institutional and environmental aspects that help establish the capacity of the meso-region to avoid or prevent deforestation.

In the second phase, the incubator's state bases will be set up in each meso-region from the first phase and research, as well as plans of action, will be carried out in conjunction with representatives from local social, economic, educational e political institutions. The aim is to characterize the ecological, economic and social systems; assess the socio-economic dynamics; and assess recent experiences in managing natural resources of the system in the meso-region. Research tied to plans of action constitutes a research methodology that seeks to diagnose and solve problems by a collaborative and participative means, involving researchers and those involved in the issue diagnosed and its respective problems.

INTERVENTION LOGIC

- **Products and services**

- » Conducting interdisciplinary research on socio-economic and environmental impacts resulting from the expansion of the economic frontier in the nine states that comprise the Legal Amazon (Product 1)
- » Research tied to plans of action on the socio-economic and environmental impacts resulting from the expansion of the economic frontier in the meso-region identified in the research from Product 1 as being more vulnerable in socio-environmental terms in each of the nine states that comprise the Legal Amazon

- **Specific aim**

- » To strengthen the capacity and the performance of public and private organizations working to prevent deforestation and implement socio-environmental management in the states and municipalities in the Amazon

- **General aim (impact)**

- » To implement science, technology and innovation activities contributing to the recovery, conservation and sustainable use of the Amazon Biome

ACTIVITIES CONDUCTED

The project finalized the research on socio-economic, political-institutional and environmental dynamics in the nine states that comprise the Legal Amazon. The research revealed historical fundamentals and the main causes and impacts associated with each dimension of regional development in each state, indicating the more vulnerable regions in socio-environmental terms in each state.

At the same time, the Sustainability Index for Amazon Municipalities was conceived and designed. Comprising 47 variables and a set of indicators associated with economic, socio-cultural, political-institutional and environmental dynamics in the municipalities, the index was fundamental in choosing the more critical regions in the Amazon, which are the object of the research and plan of action (the second year of the project) and can help new analyses on the region.

Research tied to plans of action began in the municipalities that make up the regions considered more vulnerable regions in socio-environmental terms in the Amazon, including: Breves; Lábrea; Guajará Mirim; Cruzeiro do Sul; Alta Floresta; Tocantinópolis; Grajaú; Oiapoque and Mucajaí.

The project helped institute and boost nine management committees of the Amazon Public Policies Incubator in the capitals throughout the region. Each committee designed its own respective internal regulations, as well as defining priority plans of action and work agendas for the coming years.

NOVA CARTOGRAFIA SOCIAL NA AMAZÔNIA

NEW SOCIAL MAPPING IN THE AMAZON

PROJECT MANAGEMENT

Amazonas State University (UEA) and the Muraki Institutional Support Foundation <www.novacartografiasocial.com>

TERRITORIAL SCOPE

All the states within the Amazon Biome

BENEFICIARY

27 traditional groups and communities in the region and the Network for Traditional People and Communities and Researchers, which includes close to 70 researchers

OBJECTIVE

To foster social mapping in 27 communities in the Amazon Biome and to strengthen the research network involved in the project

TOTAL COST OF THE PROJECT

R\$ 4,614,587.03
(US\$ 1,969,856.91)

AMAZON FUND SUPPORT

R\$ 4,614,587.03
(US\$ 1,969,856.91)

ESTIMATED COMPLETION DATE

36 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED 11.30.2010	DATE AWARDED 5.6.2011	1ST DISBURSEMENT ON 11.25.2011 R\$ 740,869.38	2ND DISBURSEMENT ON 7.20.2012 R\$ 1,308,803.17
3RD DISBURSEMENT ON 4.24.2013 R\$ 991,632.90	4TH DISBURSEMENT ON 12.18.2013 R\$ 746,616.00	TOTAL AMOUNT DISBURSED R\$ 3,787,921.45 (US\$ 1,616,973.14)	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT 82%



CONTEXTUALIZATION

Traditional people and communities – social groups with vast knowledge on ecosystems and biodiversity in the region – occupying territories in the Amazon is an important factor in preserving plains forests and the so-called firm land forests. Due to this, strengthening associations and community organizations, as well as consolidating and publicizing practical know-how from the traditional people and communities are strategies that can multiply native knowledge on sustainable use of natural resources, contributing to maintain the forest standing.

THE PROJECT

The Amazonas State University (UEA), using a participative methodology known as social mapping, plans to show the reality of 27 groups and communities that live in the Amazon Biome, which will contribute to expanding knowledge on traditional ways for sustainable use of natural resources.

The main characteristic of the process is to design maps that will highlight the economic activities developed in the region, as well as the characteristics on the use of natural resources, and the community's forms of social organization.

All the work to build the maps will be done by members of the Network of Traditional People and Communities, and Researchers, comprising nine state nuclei and researchers from universities and partner institutions working in the Amazon. Map workshops established in the project will be run by this group of researchers, but will also have the active participation of community members.

A part of the project also aims to strengthen this research network. Among the efforts planned are: adjusting the physical space of the project headquarters; consolidating the nine state nuclei; structuring a data bank to store material produced by the project; holding regional meetings and seminars to exchange information and integrate members.

INTERVENTION LOGIC

• Products and services

- » Carrying out social mapping in 27 traditional communities in the Amazon and building a data bank
- » Strengthening the Network for Traditional People and Communities and researchers with physical and operational structuring, holding integrating events, and running training courses for local community members

- **Specific aim**

- » To identify, improve and disseminate native methods to sustainably use natural resources, aimed at territorial management, conservation and sustainable use of the Amazon Biome

- **General aim (impact)**

- » To develop scientific research activities through the New Social Mapping Project so as to contribute to the recovery, conservation and sustainable use of the Amazon Biome

ACTIVITIES CONDUCTED

Social mapping in 16 traditional communities in the Amazon was completed and preparation has begun to map out another nine communities.

This mapping out aims to show the reality in the communities through active participation of the members who are trained in mapping workshops presented by the researchers from the Amazon's public universities and other institutions.

Preparations, in their turn, include meetings between community leaders and researchers prior to the workshops in participative mapping.

Nine research nuclei were consolidated in the project (one in each state of the Amazon), with research scholarships and acquisition of equipment, such as computers, printers, GPS etc.

Nine regional meetings were held and a partial seminar aimed at strengthening the Network for Traditional People and Communities and Researchers.

PREVFOGO IBAMA

PREVFOGO – IBAMA

PROJECT MANAGEMENT

Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA) <www.ibama.gov.br/prevfogo>

TERRITORIAL SCOPE

Mainly the Amazon Biome, strengthening the logistics center at the National Center to Prevent and Combat Forest Fires (PREVFOGO) in Brasilia

BENEFICIARY

Population of the Amazon Biome

OBJECTIVE

To provide support to physically and operationally structure the PREVFOGO program, and the environmental education to raise awareness and training locals to monitor, prevent and combat forest fires and unauthorized burn-offs in the Amazon Biome

TOTAL COST OF THE PROJECT

R\$ 14,717,270.00
(US\$ 6,282,450.82)

AMAZON FUND SUPPORT

Up to R\$ 14,717,270.00
(US\$ 6,282,450.82)

ESTIMATED COMPLETION DATE

12 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
12.30.2013	-	-	0%



CONTEXTUALIZATION

There is a strong perception that economic, environmental and social losses are related to forest fires and burn-offs, whether they are illegal or not. It is possible, for example, to cite those related to the declining forest coverage; to the loss of biodiversity; to the destruction of soil; to over-sedimentation of waterways; to the health of populations affected by the smoke and fallout produced; to the fall in the safety of aerial operations. Besides this, there is the aspect related to greenhouse gas emissions (GGE), which contribute to global warming and climate change.

The National Center to Prevent and Combat Forest fires (PREVFOGO) is the main federal structure in the country making efforts both to directly combat forest fires and unauthorized burn-offs, as well as to induce a change in the culture related to the use of fire in farming. Every year, PREVFOGO selects and hires temporary fire brigades with the aim, among other intentions, to establish a routine inspection to inhibit the use on unauthorized burn-offs and collect local information to help design operative plans to prevent and combat fires and unauthorized burn-offs.

An important part of PREVFOGO'S strategy refers to dialogue with other institutions involved in solving the problem, such as the National Institute for Space Research (INPE), the Chico Mendes Institute for Conserving Biodiversity (ICMBio), the National Institute of Colonization and Agrarian Reform (INCRA), and the National Indian Foundation (FUNAI), among other state entities.

THE PROJECT

The project is aimed at physically and operationally structuring PREVFOGO and fostering environmental education to raise awareness and train locals to monitor, prevent and combat forest fires and unauthorized burn-offs in the Amazon Biome.

The project includes supplying infrastructure, such as equipment, tools and vehicles to help monitor and combat fires and unauthorized burn-offs.

Also planned is the construction of a logistics and support center for the PREVFOGO in Brasília to foster information-sharing between several federal and state entities, with the purpose of designing strategies, targets and plans of action to combat fire in forest areas.

The project will also enable PREVFOGO to reinforce efforts towards environmental education, aimed at informing rural producers and the general population about the correct use of fire.

INTERVENTION LOGIC

- **Products and services**

- » Constructing a logistics and support center for PREVFOGO in Brasília, acquiring equipment and implementing efforts towards environmental education

- **Specific aim**

- » To better structure PREVFOGO of the Brazilian Institute of the Environment of Renewable Natural resources (IBAMA) to monitor and combat deforestation caused by forest fires and illegal burn-offs

- **General aim (impact)**

- » To implement governmental efforts that help reduce deforestation and forest degradation caused by forest fires and illegal burn-offs in the Amazon Biome

INVENTÁRIO FLORESTAL NACIONAL AMAZÔNIA

NATIONAL FOREST INVENTORY – AMAZON

PROJECT MANAGEMENT

Federal Government/Brazilian Forest Service (SFB) <www.sfb.gov.br>

TERRITORIAL SCOPE

Amazon Biome

BENEFICIARY

All people and institutions that use information produced by the Amazon Forest Inventory

OBJECTIVE

To implement the Forest Inventory in the Amazon Biome to produce information on forest resources, carbon stocks and how populations in the region use their territory

TOTAL COST OF THE PROJECT

R\$ 65,000,555.12
(US\$ 27,747,183.47)

AMAZON FUND SUPPORT

R\$ 65,000,555.12
(US\$ 27,747,183.47)

ESTIMATED COMPLETION DATE

48 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
7.31.2012	1.24.2013	-	0%



CONTEXTUALIZATION

A national forest inventory covers the entire country and is carried out periodically through sampling techniques, fostering on-going monitoring of forest resources. It also fosters improved management of these resources and collection of more information to help define forest policy as well as plans for use and conservation.

The only edition of the forest inventory at a nation-wide level in Brazil dates back to the 1980s and was aimed at producing information on timber stocks in natural and planted forests, that is, it was mainly aimed at timber production.

Some regional inventories were also carried out to meet specific demands for information and help colonization or planning programs. Nevertheless, no nation-wide system was prepared since 1983.

THE PROJECT

Besides aiming to measure timber stocks, carrying out the National Forest Inventory (IFN) seeks to know what the stocks of biomass and carbon are, biodiversity, the forest's vitality and health, in addition to the standard of living of the populations that live in the forest or near them.

The variables that are collected in this in this edition of the NFI are: biophysical, to verify the forest dynamics; socio-environmental, to check the importance of forests to the population that live there, in surrounding areas, or the relevance of exploring resources; and administrative, which will be used to monitor field work.

In addition to the biophysical data, collecting socio-environmental variables is aimed at: accompanying the use and the perception of people over time in relation to forest resources; improving and strengthening the circumstances for sustainable use of forests; assessing the effectiveness of implementing the public policies in this sector; helping formulate and adjust norms and regulations for exploring and conserving forest resources; identifying research demands, new uses of products and services and strategies to add value to the sustainable use of forests.

This project aims to implement the NFI in the entire Amazon Biome, therefore, covering an area of 419,694,300 hectares, which represents more than 40% of the national territory.

INTERVENTION LOGIC

• Products and services

- » Carrying out the NFI in the Amazon Biome producing information on the way local populations use forest resources, carbon stocks and the territory

- **Specific aims**

- » To organize the territory through Economic Ecology Zoning (ZEE) and to expand public forests and Protected Areas with the contribution of the NFI – Amazon
- » To foster the State's and society use of the NFI – Amazon to monitor forest resources
- » To produce and disseminate know-how and technology through the NFI – Amazon
- » To identify economic activities making sustainable use of the forest and biodiversity through the NFI – Amazon
- » To recover the deforested and degraded areas identified by the NFI – Amazon and to use such areas for economic purposes and ecological conservation

- **General aims (impacts)**

- » To implement land-use planning in the Amazon Biome
- » To implement governmental efforts to adjust man-made activities to meet environmental legislation
- » To implement science, technology and innovation activities to contribute to recovery, conservation and the sustainable use of the Amazon Biome
- » To implement activities that maintain the forest standing and that are economically attractive in the Amazon Biome

MATO GROSSO SUSTENTÁVEL

SUSTAINABLE MATO GROSSO

PROJECT MANAGEMENT

State of Mato Grosso <www.sema.mt.gov.br>

TERRITORIAL SCOPE

State of Mato Grosso, focusing on state Conservation Units (CUs) and in 40 municipalities in the Amazon Biome

BENEFICIARY

Population in the state of Mato Grosso

OBJECTIVE

To provide support to: (i) consolidate in Conservation Units in the Amazon Biome; (ii) strengthen inspections and state environmental licensing; and (iii) decentralize state environmental management

TOTAL COST OF THE PROJECT

R\$ 35,015,970.00
(US\$ 14,947,480.71)

AMAZON FUND SUPPORT

Up to R\$ 35,015,970.00
(US\$ 14,947,480.71)

ESTIMATED COMPLETION DATE

36 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
12.17.2013	-	-	0%



CONTEXTUALIZATION

The state of Mato Grosso covers an area of 903,357 km². There are 141 municipalities, of which 86 are part of the Amazon Biome, which corresponds to an area of 480,215 km² (54%). The Hinterland Biome (Cerrado) covers a central portion of the state, with 354,823 km² (39%), while the Pantanal Biome covers the smaller areas, in the south of the state, with 60,885 km² (7%).

Occupation and economic growth in the state were mainly due to the farming and cattle-raising sector, with an incentive to replace the forest with several types of plantations and cattle pastures, causing massive environmental damage owing to the high deforestation rate. Despite a significant drop in deforestation rates over the last few years, the state of Mato Grosso has the largest accumulated deforested area in the Legal Amazon, with approximately 34% of the total areas deforested.

THE PROJECT

The project is structured into three sections. The first is the support to consolidate the Protected Areas system, specifically the nine state Conservation Units (CUs), by georeferencing, demarking and installing signage of the perimeter, as well as fostering management of the CUs, through training and physical and operational structuring.

The second covers inspection and state environmental licensing. Within this context, the aim is to modernize the management of forest resources in the state by implementing a digital environmental licensing system and expanding and intensifying inspection activities.

The last section focuses on decentralizing environmental management and, among other targets, aims to: structure regional branches of the State Secretariat of the Environment (SEMA); strengthen regional environmental licensing and inspection; and foster decentralization of state environmental management with the support of 40 municipal secretariats of the environment located within the Amazon Biome.

INTERVENTION LOGIC

- **Products and services**

- » Consolidating the CUs, using georeferencing, diagnosing land-title regularization, and training the community in the areas surrounding the CUs
- » Physically and operationally structuring CUs as well as training staff

- » Implementing a digital environmental licensing system
- » Improving environmental inspection by improving the communication system and infrastructure
- » Decentralizing environmental management
- **Specific aims**
 - » To consolidate the management of public forests and Protected Areas in the state of Mato Grosso
 - » To structure and modernize institutions to monitor, control and appoint environmental accountability in the state of Mato Grosso
- **General aims (impacts)**
 - » To implement land-use planning in the Amazon Biome in the state of Mato Grosso
 - » To implement governmental efforts to adjust man-made activities to meet environmental legislation in the state of Mato Grosso

PROGRAMA MUNICÍPIOS VERDES

GREEN MUNICIPALITIES PROGRAM

PROJECT MANAGEMENT

State of Pará <www.municipiosverdes.com.br>

TERRITORIAL SCOPE

100 municipalities in the state of Pará

BENEFICIARY

Rural producers and municipal secretariats in the 100 municipalities covered by the project

OBJECTIVE

To help consolidate the Rural Environmental Registration (CAR) of rural properties and strengthen municipal environmental management to help combat deforestation and forest degradation in the state of Pará

TOTAL COST OF THE PROJECT

R\$ 92,421,590.00
(US\$ 39,452,567.89)

AMAZON FUND SUPPORT

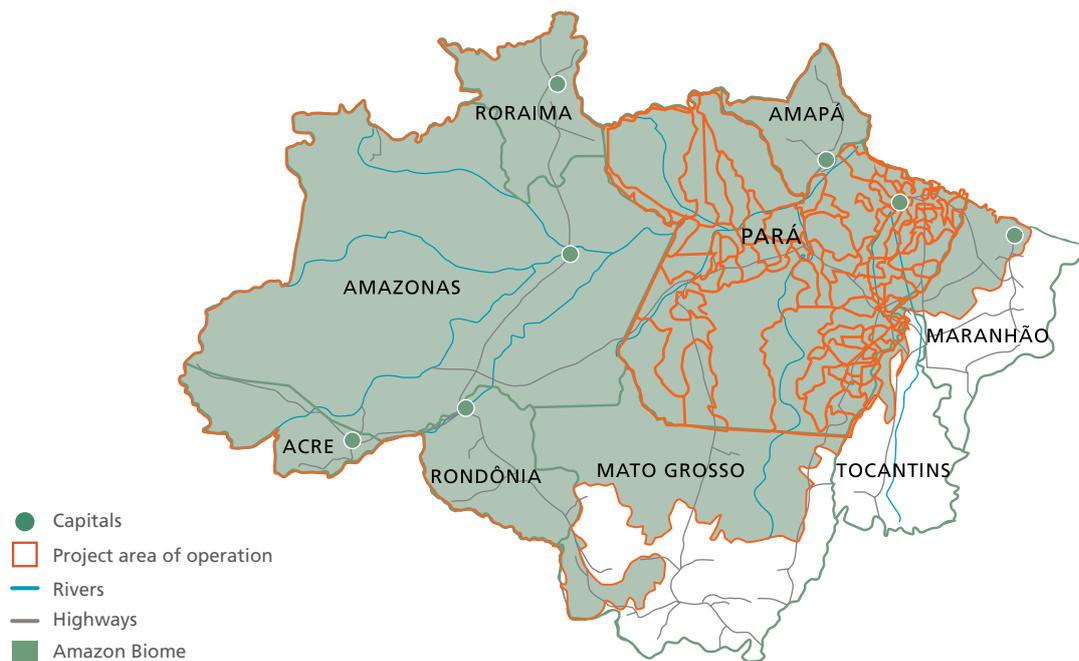
Up to R\$ 82,378,560.00
(US\$ 35,165,438.42)

ESTIMATED COMPLETION DATE

30 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
12.10.2013	-	-	0%



CONTEXTUALIZATION

The Green Municipalities Program (PMV) was created in the state of Pará in 2011, inspired by the successful experience in the municipality of Paragominas, which took steps towards environmental regularization in response to its inclusion on the Ministry of the Environment's blacklist, which lists the priority municipalities to prevent, monitor and control deforestation.

The state of Pará covers an area of 1,247,954 km² and has 144 municipalities. Of these 144, some 100 signed up to the PMV. This was voluntary and required signing a term of commitment with the Federal Prosecutor's Office, promising to reach a set of targets, namely: to maintain annual deforestation below 40 km², to register 80% of the municipal area on the Rural Environmental Registration (CAR), and to be removed from the list of the largest deforesters in the Amazon.

Also within the scope of the PMV, incentive mechanisms are being developed to increase adherence to the program, such as structuring the Brazilian Green VAT (ICMS - Verde) in the state, in which distribution of resources from Green VAT collection to municipalities takes into account, among other variables, the municipalities' performance in terms of adherence to the CAR.

THE PROJECT

The project aims to help implement the CAR on a large scale as well as supplying municipal environmental management so as to contribute to combating deforestation and forest degradation in the state of Pará.

The CAR will be implemented in the rural properties and bailments (temporarily-owned properties) located in the 100 municipalities in the state that have adhered to the PMV, corresponding to an area of 92,479 km². Efforts being made to implement the CAR include: running campaigns to promote the PMV; collecting and organizing documentation and information required from the rural producers to design the CAR for properties up to four government-established land modules (each state has a different measurement); georeferencing rural properties up to four government-established land modules; inserting data on all rural properties that have adhered to the CAR into the Integrated monitoring and Environmental Licensing System (SIMLAM), run by the Pará State Secretariat of the Environment, as well as validating the CAR, which is required so as to issue the definitive CAR for properties.

Also within the scope of the PMV, investments are being made to further decentralize environmental management and to consolidate the process in the municipalities that are already prepared to carry out environmental

management. For such, a database will be developed and updated for municipalities to exchange information with PMV; there will be structure implemented and training given in municipalities to register deforestation in the fields; and municipalities will be prepared and structured for environmental management.

INTERVENTION LOGIC

- **Products and services**

- » Putting together local agreements to combat deforestation and strengthening those already entered into
- » Producing a digital georeferenced base and mapping out the use of soil and forest coverage over an area of 615,000 km², to complement the available base.
- » Designing and registering the CAR, by georeferencing rural properties
- » Developing and implementing an electronic system to help municipal environmental management
- » Physically structuring 34 municipal environmental agencies
- » Training municipal technicians on issues related to environmental licensing and management and to register deforestation in the field, in 34 municipalities
- » Developing studies to help environmental management in municipal agencies

- **Specific aims**

- » To expand rural producers' access, in 100 municipalities across the state of Pará, to environmental regularization of rural properties
- » To structure municipal environmental institutions to prepare them to carry out decentralized environmental management

- **General aim (impact)**

- » To implement governmental efforts, through the PMV, to help adjust man-made activities to meet environmental legislation in the state of Pará

GESTÃO FLORESTAL E DINAMIZAÇÃO DE CADEIAS PRODUTIVAS DA SOCIOBIODIVERSIDADE DO AMAPÁ

FOREST MANAGEMENT AND BOOSTING
PRODUCTION SECTOR FOR
SOCIO-BIODIVERSITY IN AMAPÁ

PROJECT MANAGEMENT

State of Amapá <www.ap.gov.br/amapa/site/index.jsp>

TERRITORIAL SCOPE

State of Amapá

BENEFICIARY

Population and state of Amapá

OBJECTIVE

To provide support to: (i) expand knowledge, increase technical assistance and infrastructure related to açai production sectors, timber and Brazil nuts aimed at the extraction population; (ii) improve instruments for territorial planning; (iii) improve operational conditions and increase professional qualification in entities and state autarkies to strengthen initiatives for environmental, territorial and forest management in the state; and (iv) develop instruments aimed at implementing projects for Reducing Emissions from Deforestation and Degradation

TOTAL COST

OF THE PROJECT

R\$ 43,304,200.00
(US\$ 18,485,528.01)

AMAZON FUND SUPPORT

R\$ 40,304,200.00
(US\$ 18,485,528.01)

ESTIMATED COMPLETION DATE

36 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
9.24.2013	-	-	0%



CONTEXTUALIZATION

Some 97% of the state of Amapá is covered with forests. Nevertheless, investments are underway and scheduled, including asphaltting the BR-156 highway, generating electric energy, expanding the Port of Santana, intensifying mining exploration, interconnections with French Guiana, among others, with general socio-environment aims and which may represent potential pressure against maintaining forest coverage.

Such a perspective reaffirms the need for investment initiatives that seek to strengthen public management policies and adding value to the forest, because 70% of the land in the state is Protected Areas, between Conservation Units and indigenous land.

THE PROJECT

The project has four areas: the first aims to foster and increase the production scale of forest wood and non-wooden products coming from sustainable management of forest including plans for management, research, innovation and scientific and technological dissemination, market development, training and capacity-building.

The second aims at territorial planning in the forest areas, whether they are flood forests or firm land, where there are production systems for açai, Brazil nuts and timber, including theme-based maps, land-title regularization, environmental licensing, monitoring change to forest coverage and developing a structure for forest concessions.

In its turn, the third covers the support to structure state entities responsible for forest management, expanding and intensifying monitoring system for deforestation and forest degradation.

Lastly, within the scope of the project, instruments will also be developed to implement projects for Reducing Emissions from Deforestation and Degradation (REDD).

INTERVENTION LOGIC

• Products and services

- » Physically structuring and training employees at the State Forest Institute (IEF), Institute of the Environment and Territorial Planning (IMAP), Institute of Rural Development (RURAP) and the State Secretariat of the Environment (SEMA)
- » Densification of the geodesic network and designing the digital mapping base
- » Monitoring change to forest coverage and the use of soil

- » Collecting data on the target audience and rendering technical assistance to design açai management plans (environmental licensing) in the municipalities of Macapá, Mazagão, Santana, Itaubal and Laranjal do Jari
 - » Mapping in the fields of the areas where Brazil nuts are grown and participative monitoring of Brazil nut production
 - » Structuring nurseries focusing on açai sapling production
 - » Installing solar-driven driers and structuring storage units for Brazil nuts
 - » Remodeling and modernizing açai and palm hearts processing units
 - » Implementing good practices in açai and Brazil nut production, by rendering technical assistance, holding field trips and distributing guidelines and basic kits
 - » Restructuring the Timber Technology Center (CTM) to train young professionals
 - » Physically structuring and training employees of the Social and Economic Observatory (OESAP) to produce data on extraction production sectors
 - » Accrediting and certifying lab nuclei working with food science and technology at the Amapá State Scientific and Technological Research Institute (IEPA)
 - » Physically structuring IEPA and training employees
 - » Expanding and restructuring IEPA's fitotherapeutical laboratories
 - » Implementing the germplasm bank and restructuring seed labs and vegetal fabric culture labs
 - » Designing IEPA's theme-based maps for territorial planning
 - » Conducting public debate on state legislation for REDD
 - » Designing the document to conceive the REDD pilot project
 - » Developing a system to register state forests
 - » Designing and publishing the IEF technical study series on forests
 - » Implementing a monitoring system for the REDD mechanism
 - » Geo-referencing and establishing the limits of the production areas for açai, timber and Brazil nuts aimed at land-title regularization
- **Specific aims**
 - » To structure and modernize institutions for monitoring, control and environmental accountability in the state of Amapá
 - » To expand extractionists' access to environmental regularization of açai palm trees
 - » To identify and develop economic activities using sustainable use of the forest and biodiversity in the state Amapá
 - » To expand sectors for agroforestry and biodiversity products with aggregate value in the state Amapá
 - » To expand managerial and technical capacities to implement and enhance extraction production in the state Amapá
 - » To produce and disseminate know-how and technologies focused on sustainable use in the state of Amapá
 - » To produce and disseminate know-how and technologies focused on territorial land-use planning in the state of Amapá
 - » To consolidate management of public forests and protected areas in the state of Amapá
 - » To expand areas with land titles in order in the state of Amapá
 - **General aims (impacts)**
 - » To implement governmental efforts to adjust man-made activities to meet environmental legislation in the state of Amapá
 - » To implement activities to maintain the forest standing and that are economically attractive in the state of Amapá
 - » To implement science, technology and innovation so as to contribute to recovery, conservation and the sustainable use of forests in the state of Amapá
 - » To implement land-use planning in areas in the state of Amapá

SEPROR AGROECOLÓGICA

SEPROR AGRO-ECOLOGY

PROJECT MANAGEMENT

State of Amazonas/Secretariat for Rural Production (SEPROR)
<www.sepror.am.gov.br>

TERRITORIAL SCOPE

41 municipalities in the state of Amazonas

BENEFICIARY

Extractionists of natural rubber and Brazil nuts, as well as indigenous communities

OBJECTIVE

To provide support to revitalize the natural rubber sector; to add value to the Brazil nut sector; and to provide incentives to run sustainable production activities on indigenous land

TOTAL COST OF THE PROJECT

Up to R\$ 14,900,000.00
(US\$ 6,360,453.89)

AMAZON FUND SUPPORT

Up to R\$ 14,900,000.00
(US\$ 6,360,453.89)

ESTIMATED COMPLETION DATE

36 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
8.28.2013	12.12.2013	-	0%



CONTEXTUALIZATION

In 2007, the state of Amazonas launched the New Agricultural Policy, with emphasis on family farming. The underlying guidelines of the new policy are: poly-cultivation, environmental sustainability, scientific and technological modernity, economic efficiency and social justice.

The SEPROR Agro-ecology Project falls within this agricultural policy. Efforts cover the extraction populations and indigenous people that live on the territories that stretch across 41 of the 62 municipalities in the state of Amazonas. Two of these municipalities, Lábrea and Boca do Acre, are on the list of priority municipalities to combat deforestation in the Amazon.

THE PROJECT

In the project, three initiatives aim at conservation and the sustainable use of active forests in the state of Amazonas. The first is to stimulate the return to exploring native rubber trees by supporting rubber tappers and acquiring equipment, as well as investing in infrastructure for storing and distributing the production.

The second initiative focuses on adding value to local Brazil nut sectors for the traditional extraction populations by acquiring equipment to remodel and equip the industry with Brazil nut enhancement, promoting the best production practices, as well as investments in infrastructure for enhancement and distributing the production.

The third approach provides support for indigenous farming by implementing nurseries, sustainable production systems (agroforestry and agroecological), fish farming tanks, flour storage and investments into infrastructure for enhancement, distribution and commercialization of production to generate income and foster food safety for these populations.

Besides this, a complementary effort to these initiatives will be taken on, ranging from collection and systematizing data on the natural rubber and Brazil nut sectors, to training indigenous workers and extractionists, as well as offering rural technical assistance.

INTERVENTION LOGIC

• Products and services

- » Fostering a return to exploring natural rubber, by supporting rubber tappers, as well as investing in infrastructure for storage, enhancement and distribution of production

- » Fostering production activities in indigenous communities, by implementing nurseries, sustainable production systems (agroforestry and agroecological), fish farming tanks and investments in infrastructure for enhancement, distribution and commercialization of production
 - » Adding value to the Brazil nut sector, with investments in infrastructure for enhancement and distribution of production
 - » Training technicians from state entities and technical assistance, the Institute for Developing Farming and Cattle-raising, and Sustainable Forests in the State of Amazonas (IDAM) and the Secretariat for Rural Production (SEPROR) in the state of Amazonas
 - » Technical assistance and rural training for extractionists in good production practices, associationism and cooperativism
 - » Technical assistance and rural training for indigenous people in good production practices, associationism and cooperativism
- **Specific aims**
 - » To identify and develop sustainable production activities in areas with traditional populations and family farming in the state of Amazonas
 - » To expand agroforestry product sectors and biodiversity with added value in the state of Amazonas
 - » To expand managerial and technical capacities in indigenous populations and family farmers to implement agroforestry and agroextraction systems, fish farming and production of natural rubber and Brazil nuts in the state of Amazonas
- **General aim (impact)**
 - » To implement sustainable production activities that are economically attractive in areas where there are indigenous populations and family farmers in the state of Amazonas

CAR ACRE

CAR IN THE STATE OF ACRE

PROJECT MANAGEMENT

State of Acre <www.ac.gov.br>

TERRITORIAL SCOPE

22 municipalities in the state of Acre

BENEFICIARY

Property owners engaged in family farming with four government-established modules located in the rural zones in all 22 municipalities in the state Acre, covering an area close to 9 million hectares

OBJECTIVE

To provide support to implement the Rural Environmental Registration (CAR) and the adherence to the Environmental Regularization Program (PRA) in the state of Acre

TOTAL COST OF THE PROJECT

Up to R\$ 16,838,000.00
(US\$ 7,187,739.77)

AMAZON FUND SUPPORT

Up to R\$ 16,838,000.00
(US\$ 7,187,739.77)

ESTIMATED COMPLETION DATE

24 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
10.29.2013	11.13.2013	-	0%



CONTEXTUALIZATION

The new Forest Code (Act N°. 12,651, of May 25, 2012) made it obligatory to adhere to the Rural Environmental Registration (CAR), an electronic registration that aims to integrate environmental information related to rural properties and bailments (temporarily-owned property). Besides the CAR, the Forest Code established the obligation for state and federal governments to implement Environmental Regularization Programs (PRAs), aimed at correcting environmental damage to rural property and bailments.

The economy in the state of Acre is partially based on the strong participation of timber and non-timber forest sectors. Due to the historic importance of the sector, the state's environmental policy seeks to add value to forest assets, so as to increase participation ever more forest activities in the local economy.

To increase this participation in an orderly and sustainable fashion, the CAR and the PRA are important planning tools for rural properties and recovering degraded areas.

THE PROJECT

The aim of the project is to support implementing the CAR and adherence to PRA in the state of Acre. The project is structured into four components. The first refers to adjusting the state's legal framework that covers such issues. The second aims to improve infrastructure and the capacity of environmental entities, as well as state technical assistance to implement and manage the CAR and the PRA. The third and fourth components focus on fostering and supporting enrollment on the CAR and supporting adherence to the PRA. Mobilizing and raising the awareness of rural producers to adhere to the CAR will take place via events and meetings in the municipalities and by distributing didactic and informative material.

The target audience of the project is mainly made up of the property owners and bailees (temporary land owners) working with family farming, with up to four government-established land modules located in the rural zones in all the 22 municipalities in the state of Acre, covering an area of close to 9 million hectares. Other beneficiaries of the project include the Acre state government and medium-sized and large rural property owners, through efforts to adjust the state norms and improve the infrastructure and the capacity of civil servants so as to implement the CAR.

INTERVENTION LOGIC

- **Products and services**

- » Designing the state regulatory framework for the CAR and the PRA

- » Developing a state information system for registration, regularization and rural environmental monitoring
 - » Training civil servants to implement and manage the CAR and the PRA
 - » Developing a digital mapping base
 - » Acquiring computer equipment and vehicles for state environmental agencies, as well as support for family production to implement and manage the CAR and the PRA
 - » Supporting the enrollment of small rural producers in Acre to the CAR, through an “active search” to collect information and documentation
 - » Supporting the design of projects for the Re-composition of Degraded and Altered Areas (PRADA) and for small rural producers in the state with environmental damage to adhere to the PRA
- **Specific aims**
 - » To structure and modernize institutions for monitoring, control and environmental accountability in the state Acre to implement and manage the CAR and the PRA
 - » To expand access for rural producers in the state of Acre to environmental regularization for their properties
- **General aim (impact)**
 - » To implement governmental efforts that help adjust man-made activities to meet environmental legislation in the state of Acre

CAR: TOCANTINS LEGAL

CAR: TOCANTINS LEGAL

PROJECT MANAGEMENT

State of Tocantins. Implementation and coordination: Secretariat of the Environment and Sustainable Development (SEMADES). Mediators: Tocantins Nature Institute (Naturatins) and the Institute for Rural Development in the State of Tocantins (Ruraltins) <<http://semades.to.gov.br>>

TERRITORIAL SCOPE

State of Tocantins

BENEFICIARY

Population in the state of Tocantins

OBJECTIVE

To provide support to: (i) implement the Rural Environmental Registration (CAR) in 96 municipalities throughout the state; (ii) to improve the monitoring and control system for deforestation; (iii) to implement a program to decentralize environmental management in the municipalities in the Amazon Biome; and (iv) to develop a sustainable forestry hub in the Amazon Biome within the state

TOTAL COST OF THE PROJECT

R\$ 43,564,400.00
(US\$ 18,596,601.17)

AMAZON FUND SUPPORT

R\$ 40,504,400.00
(US\$ 17,290,360.30)

ESTIMATED COMPLETION DATE

36 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
5.21.2013	6.28.2013	-	0%



CONTEXTUALIZATION

Created in 1988, the state of Tocantins covers an area of 277,621 km² in a region between the Amazon Biome (9%) and the Hinterland Biome (Cerrado) (91%). There are 139 municipalities, with an estimated population of 1.38 million inhabitants, according to 2010 data from the Brazilian Institute of Geography and Statistics (IBGE).

The state's economic structure is based mainly on farming and cattle-raising, as well as the trade and services sector in the capital, Palmas. However, a large part of the small and large-scale farmers still employ environmentally inadequate methods to establish pastures or prepare soil.

Despite being a region with relatively recent occupation, the state has had to face environmental problems as a consequence to such occupation and production, especially in the farming and cattle-raising sector, due mainly to deforestation and burn-offs.

THE PROJECT

The activities proposed in the project largely reflect the strategies outlined in the Action Plan to Prevent and Control Deforestation and Burn-offs in the State of Tocantins, which was disclosed in 2009. According to this document, tackling deforestation in the state requires a diversified strategy, focused on planning and managing landscape, recovering environmental damage and protecting the remaining vegetation.

With this, the project's main objectives are to: implement the Rural Environmental Registration (CAR) throughout the state; to improve the monitoring and control system for deforestation; to implement a program to decentralize environmental management in the municipalities in the Amazon Biome; and to develop a sustainable forestry hub in the Amazon Biome in the northern region of the state.

The project will be coordinated by the Secretariat of the Environment and Sustainable Development in Tocantins (SEMADES), with the participation of the Tocantins Nature Institute (Naturantins) and the Institute for Rural Development in the State of Tocantins (Ruraltins).

INTERVENTION LOGIC

• Products and services

- » Improving the monitoring and control system for deforestation of the vegetal coverage in the 139 municipalities throughout the state of Tocantins

- » Implementing a program to decentralize state environmental management in throughout 46 municipalities in the state of Tocantins, of which 31 are located in the Amazon Biome and 15 in the Hinterland Biome (Cerrado).
 - » Modernizing forest resources by improving environmental licensing and inspection
 - » Implementing CAR in 96 municipalities within the state
 - » Developing a sustainable forestry hub in 31 municipalities present in the Amazon Biome in the northern region of the state of Tocantins
- **Specific aims**
 - » To structure and modernize institutions to monitor, control and to be environmentally accountable within the state of Tocantins
 - » To expand access for rural producers in the state of Tocantins to environmental regularization of their properties
 - » To identify and develop economic activities for the sustainable use of the forest and biodiversity in the northern region of the state of Tocantins
- **General aims (impacts)**
 - » To implement governmental efforts that help man-made activities meet environmental legislation within the state of Tocantins
 - » To implement activities that help maintain the forest standing and that are economically attractive within the state of Tocantins

MARANHÃO SUSTENTÁVEL

SUSTAINABLE MARANHÃO

PROJECT MANAGEMENT

Maranhão State Secretariat of the Environment and Natural Resources (SEMA-MA) <www.sema.ma.gov.br>

TERRITORIAL SCOPE

30 municipalities present in the Amazon biome and one municipality in the Hinterland Biome (Cerrado)

BENEFICIARY

Small producers and rural bailees (temporary land owners) in settlements throughout the state and part of the National Institute for Colonization and Agrarian Reform (INCRA), in areas covered by the programs Land-title Credit, "A Ticket to Land" (Cédula da Terra) and Legal Land, as well former-slave communities (quilombolas)

OBJECTIVE

To provide support to environmental management in the state of Maranhão, by: (i) implementing Rural Environmental Registration (CAR) and designing Plans to Recover Degraded and Altered Areas (Prada); and (ii) improving the infrastructure and training staff at SEMA-MA

TOTAL COST OF THE PROJECT

R\$ 20,849,000.00
(US\$ 8,899,939.81)

AMAZON FUND SUPPORT

R\$ 20,036,000.00
(US\$ 8,552,889.54)

ESTIMATED COMPLETION DATE

30 months
(from the date the
contract signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
5.21.2013	6.26.2013	-	0%



CONTEXTUALIZATION

The state of Maranhão covers an area of 331,937 km² and a population of 6,574,789 inhabitants, according to 2010 Census conducted Brazilian Institute of Geography and Statistics (IBGE). There are 217 municipalities, of which almost half (102 municipalities) are part of the Amazon Biome, according to the Ministerial Order MMA 96, of March 2008.

It is located in the transitional zone between a semi-arid climate, which is typical to the Northeast Region of the country, and the humid equatorial climate of the Amazon, where three biomes meet: Amazon, Hinterland (Cerrado) and Desert Vegetation (Caatinga). Close to 64% of the area in the state is located in the Hinterland (Cerrado) Biome, while 35% is in the Amazon Biome and only 1% in the Desert Vegetation (Caatinga) Biome.

The most significant economic activity in the state of Maranhão is the services sector (67%), while farming and cattle-raising coupled with industry account for 17% and 16% of the state's GDP, respectively, also according to the 2010 Census conducted by the IBGE. In farming and cattle-raising, the products that stand apart include soybean, cassava root, rice, sugarcane and corn, as well as beef cattle herds. The main products from extraction activities are wood to produce vegetal coal, and babaçu oil. Industry focuses mainly on the production of aluminum and aluminum oxide, as well as iron ore (mining).

The activities related to farming and cattle-raising and industry, which are important to the state's economy, are also those that most deforest in the state. According to the National Institute for Space Research (INPE), accumulated deforestation up to 2011 totaled 105,200 km², which is equivalent to almost 70% of the state's Amazon Forest.

THE PROJECT

The strategy of the Maranhão State Secretariat of the Environment and Natural Resources (SEMA-MA), which is to foster control of and combat deforestation, as well as adding value to the active forest in the state of Maranhão, is structured to focus on two areas: (i) developing efforts towards environmental regularization, by implementing the Rural Environmental Registration (CAR) and designing Plans to Recover Degraded and Altered Areas (PRADA); and (ii) improving infrastructure and training staff.

The project initially covers 30 municipalities related to the Ministerial Order MMA 96/2008 (municipalities in the Amazon Biome) and a municipality, Grajaú, which is part of the Hinterland (Cerrado) Biome, is on the Ministerial Order MMA 175/2011, which outlines the municipalities with the highest rates of illegal deforestation in the

Amazon. It is important to note that the support to implement the CAR with resources from the Amazon Fund can be made available to all biomes, in compliance with the “2013-2014 Guidelines and Criteria for Applying Resources and Focusing Efforts”.

INTERVENTION LOGIC

- **Products and services**

- » Mobilizing and raising awareness of rural land owners and bailees (temporary landowners) with regard to the CAR
- » Geo-referencing rural family land and bailments (temporarily-owned land) and settlement areas, receiving documentation and including information on the data base for the state CAR, integrating it with the National Rural Environmental Registration System (SICAR) in 73 municipalities
- » Designing Projects to Recover Degraded and Altered Areas (PRADA) in 43 municipalities in the Amazon Biome
- » Training civil servants with regards to environmental licensing and regularization, geo-processing and remote sensing, among others
- » Physically and operationally structuring the SEMA-MA, strengthening geo-processing and remote monitoring
- » Developing the computerized system to monitor rural properties

- **Specific aims**

- » To expand access for rural producers in 73 municipalities in the state of Maranhão to the Environmental Regularization Program (PRA)
- » To structure and modernize SEMA-MA for PRA and CAR activities, as well as monitoring the Amazon Biome

- **General aim (impact)**

- » To implement governmental efforts to help adjust the use of natural resources to meet environmental legislation in the state of Maranhão

PARÁ COMBATENDO OS INCÊNDIOS FLORESTAIS E QUEIMADAS NÃO AUTORIZADAS

PARÁ COMBATING FOREST FIRES
AND UNAUTHORIZED BURN-OFFS

PROJECT MANAGEMENT

State of Pará <www.bombeiros.pa.gov.br>

TERRITORIAL SCOPE

State of Pará/Military Fire Fighters in the State of Pará (CBM-PA)

BENEFICIARY

Population in the state of Pará

OBJECTIVE

To provide support for efforts towards monitoring, preventing and combating deforestation resulting from forest fires and unauthorized burn-offs in the state of Pará, by physically and operationally structuring the CBM fire stations located in 10 municipalities in the state

TOTAL COST OF THE PROJECT

R\$ 23,374,140.00
(US\$ 9,977,861.72)

AMAZON FUND SUPPORT

R\$ 16,830,280.00
(US\$ 7,184,444.29)

ESTIMATED COMPLETION DATE

24 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
11.27.2012	6.26.2013	11.11.2013	R\$ 16,830,280.00 (US\$ 7,184,444.29)	100%



CONTEXTUALIZATION

Pará is Brazil's second largest state and the most populated in the entire Amazon. All told, there are 144 municipalities in an area stretching over 1,200,000 km², with an estimated population of 7.6 million inhabitants, according to 2009 data from the Brazilian Institute of Geography and Statistics (IBGE).

While deforestation rates have fallen over the last few years, it is still the state with the highest rates in the Amazon Forest. From 1998 to 2011, according to the National Institute for Space Research (INPE), some 132,000 km² of forestland has been deforested, which is equivalent to over 10% of its total area. Deforestation is most intense in the southeastern region of the state. The main reasons behind such deforestation are those that affect most of the Amazon Region: escalating farming and cattle-raising activities.

The project, presented by the Pará state government and to be implemented by the Military Fire Fighters in the State of Pará (CBM-PA), is part of the state's strategy to combat forest fires and illegal burn-offs, as established in the Pará State Plan for Prevention, Control and Alternatives to Deforestation (PPCAD-PA), launched in June 2009, aimed at guaranteeing targets are reached, especially those that are within the national scope of the Action Plan to Prevent and Combat Deforestation in the Legal Amazon (PPCDAM).

The project is also part of a strategy developed by the Ministry of the Environment to interact and exchange ideas with efforts being made by several entities that are responsible for forest or environmental management – Fire Fighter Corps; State Secretariat of the Environment; Brazilian Institute for the Environment and Renewable Resources (IBAMA); the Chico Mendes Biodiversity Conservation Institute (ICMbio); Pará municipalities; among others – in relation to combating deforestation caused by unauthorized burn-offs and natural forest fires.

THE PROJECT

The general aim of the project is to reduce greenhouse gas emissions, strengthening efforts to monitor, prevent and combat not only deforestation, but also unauthorized burn-offs and Forest fires in the state of Pará, by physically and operationally structuring CBM-PA fire stations.

Resources for the Project will be earmarked for the 10 CBM-PA fire stations, located in the following municipalities: Marabá, Itaituba, Castanhal, Tucuruí, Redenção, Altamira, Santarém, Abaetetuba, Parauapebas and Paragominas. The 10 fire stations are responsible for covering all 12 integrating regions in the state of Pará, which makes the project a state-wide effort.

INTERVENTION LOGIC

- **Products and services**

- » Constructing and operationally structuring the Itaituba Military Fire Fighters Group, as well as physically and operationally structuring the Quick-Response Operational Hubs (NORRs) in the municipalities of Castanhal, Tucuruí, Redenção, Altamira, Santarém, Abaetetuba, Parauapebas, Paragominas and Marabá (including the Operational Platoon for Environmental Protection), reaching all 12 integrating regions in the state of Pará
- » Training CBM-PA managers in graduate courses in Environmental Sciences

- **Specific aim**

- » To better structure the CBM-PA so as to monitor and combat deforestation caused by forest fires and illegal burn-offs

- **General aim (impact)**

- » To implement governmental efforts to help reduce deforestation caused by forest fires and illegal burn-offs in the state of Pará

RONDÔNIA MAIS VERDE

GREENER RONDÔNIA

PROJECT MANAGEMENT

State of Rondônia <www.rondonia.ro.gov.br> <www.cbm.ro.gov.br>

TERRITORIAL SCOPE

The areas covered by the efforts that will be developed in the Aerial and Land Operations Base – which will be installed in the capital Porto Velho – and at the four largest operational fire stations located in the municipalities of Ji-Paraná, Guajará-Mirim, Cacoal and Vilhena, which will also receive equipment paid for with project resources. The area to be covered will include important preservation areas and environmental protection areas, especially the Pacaás and Serra da Cutia National Parks

BENEFICIARY

The population that owns land in the region where the Rondônia Aerial and Land Operations Base works and in the region covered by the four largest operational fire stations located in the municipalities of Ji-Paraná, Guajará-Mirim, Cacoal and Vilhena

OBJECTIVE

To provide support for efforts towards monitoring, preventing and combating deforestation resulting from forest fires and unauthorized burn-offs in the state of Rondônia, by training and purchasing materials and equipment to prepare: (i) the Military Fire Fighters Aerial and Land Operations Base (CBM), to be built by the State in the capital Porto Velho; and (ii) four operational stations, located in other municipalities throughout the state

TOTAL COST OF THE PROJECT

R\$ 15,910,500.00
(US\$ 6,791,812.19)

AMAZON FUND SUPPORT

R\$ 15,040,500.00
(US\$ 6,420,429.98)

ESTIMATED COMPLETION DATE

12 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 6.17.2013	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
9.11.2012	12.21.2012	R\$ 4,324,000.00	R\$ 4,324,000.00 (US\$ 1,845,812.26)	29%



CONTEXTUALIZATION

The state of Rondônia was created by Federal Complementary Act N° 41, of December 22, 1981. Located in the west part of Brazil's North Region and covers an area of 237,590 km², with 52 municipalities. According to date in the 2010 Demographic Census conducted by the Brazilian Institute of Geography and Statistics (IBGE), the state of Rondônia has an estimated population of 1.56 million inhabitants, with a demographic density of 6.58 inhab./km².

In 2009, the GDP was close to R\$ 20.2 billion, equivalent to 0.6% of the national GDP and 12.4% of the regional GDP. The GDP breakdown shows higher participation of the services sector, boosted by trade, followed by farming and cattle-raising activities and then industry (mainly foodstuff, meat-packing and mining).

Rondônia was occupied in a predatory fashion, with incentives to substitute the forest with several types of farming and cattle-raising, which has caused environmental damage in the state.

The state's annual deforestation rate was on the rise in 2003; as of then, it plummeted until 2009. However, the years of 2010 and 2011 have shown a tendency for deforestation to rise, with annual rates of 435 km² and 865 km², respectively.

Concerning burn-offs, from June to November 2009, throughout the whole state of Rondônia, a total of 12,203 hot spots were detected, against 16,389 hot spots in the same period in 2008, representing a significant drop. Nevertheless, in 2010, there was a considerable increase to 40,862 hot spots, a concern for local authorities.

THE PROJECT

The Rondônia State Military Fire Fighters (CBM-RO), which is part of the state strategy to combat forest fires and unauthorized burn-offs, is aimed at providing support for efforts towards monitoring, preventing and combating deforestation caused by forest fires and unauthorized burn-offs in the state, so as to contribute to reducing greenhouse gas emissions.

To reach these goals, the project will prepare the Aerial and Land Operations Base – which will be installed in the capital Porto Velho – and four other CBM-RO operational stations, located in the municipalities of Ji-Paraná, Guajará-Mirim, Cacoal and Vilhena, in order to strengthen operations aimed at monitoring, preventing and combating deforestation caused by forest fires and unauthorized burn-offs.

The efforts to be made by the Aerial and Land Operations Base and the four other CBM-RO operational stations will be extended to 14 municipalities in the state.

Besides this, CBM-RO staff and those from partner entities will be trained in graduate courses in Environmental Sciences, in which subjects are related to operationalizing integrated processes for monitoring, preventing and combating deforestation, unauthorized burn-offs and forest fires.

INTERVENTION LOGIC

- **Products and services**

- » Building and preparing the Aerial and Land Operations Base in Porto Velho and operationally structuring the four other CBM-RO stations in other municipalities throughout the state
- » Training CBM-RO managers and those from partner entities in graduate courses in Environmental Sciences, as well as training pilots for aerial missions to combat forest fires

- **Specific aim**

- » To better structure the CBM-RO so as to monitor and combat deforestation caused by forest fires and illegal burn-offs

- **General aim (impact)**

- » To implement governmental efforts to reduce deforestation caused by forest fires and illegal burn-offs in the state of Rondônia

ACTIVITIES CONDUCTED

Aimed at operationally structuring four CBM-RO stations in other municipalities throughout the state, six light-weight vehicles were purchased, and five heavy-weight trucks – with the capacity to disburse 4,000 liters and carry six fire fighters – were sought through procurement.

PROTEÇÃO FLORESTAL TOCANTINS

FOREST PROTECTION IN THE STATE OF TOCANTINS

PROJECT MANAGEMENT

State of Tocantins, and to be carried out by the Tocantins State Military Fire Fighters (CBM-TO) <www.to.gov.br> <www.bombeiros.to.gov.br>

TERRITORIAL SCOPE

The areas covered by the efforts that will be developed by the CBM-TO Environmental Protection Platoon, located in the municipality of Araguaína, in the northern region of the state. Coverage will be extended to protected areas within the state, such as the federal ecological corridors Araguaia-Bananal, Paranã-Pirineus and Jalapão-Chapada das Mangabeiras, located within the state of Tocantins, with the support of competent federal entities

BENEFICIARY

The population that owns land in the region where the Araguaína Environmental Protection Platoon works

OBJECTIVE

To provide support for efforts towards monitoring, preventing and combating deforestation caused by forest fires and unauthorized burn-offs in the state of Tocantins, especially in the central-north region, through training, structuring mechanisms for integrated management, and purchasing materials and equipment to prepare the Environmental Protection Platoon, located in the municipality of Araguaína

TOTAL COST OF THE PROJECT

R\$ 6,697,880.00
(US\$ 2,859,164.89)

AMAZON FUND SUPPORT

R\$ 5,000,000.00
(US\$ 2,134,380.50)

ESTIMATED COMPLETION DATE

24 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED 3.27.2012	DATE AWARDED 8.9.2012	1ST DISBURSEMENT ON 12.26.2012 R\$ 1,700,000.00
2ND DISBURSEMENT ON 8.2.2013 R\$ 1,227,910.00	TOTAL AMOUNT DISBURSED R\$ 2,927,910.00 (US\$ 1,249,854.80)	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT 59%



CONTEXTUALIZATION

The state of Tocantins is located in the southeastern region of Brazil's North Region, covers 277,621 km² and has 139 municipalities. According to data from the 2010 Demographic Census conducted by the Brazilian Institute of Geography and Statistics (IBGE), the state's estimated population stands at 1.38 million inhabitants, with a demographic density of 4.98 inhab./km². In 2009, the Tocantins' GDP was close to R\$ 14.6 billion.

Located in a region that can be described as a transitional area between the Amazon Forest and the Hinterland (Cerrado), most of the state (91%) belongs to the Hinterland Biome (Cerrado), while the remainder (9%) consists of forest fragments characterized as the Amazon Biome.

The state's economic structure is based mainly on farming and cattle-raising, as well as the capital's trade and services. Most small and large cattle farmers still use rudimentary methods, or those that are far short of correct, in an environmental point of view. The predominant culture is to use fire as a tool to clear areas so as to eliminate any remains and to rotate grazing, which contributes significantly to forest fires.

THE PROJECT

The Tocantins State Military Fire Fighters (CBM-TO) will implement the project, which aims to help reduce greenhouse gas emissions caused by unauthorized burn-offs and forest fires.

This contribution from the project will be made possible by monitoring, preventing and combating deforestation caused by unauthorized burn-offs and forest fires, and which, therefore, represent an important measure to meet Brazil's voluntary target to reduce its emissions. This was agreed upon in the United Nations Conference on Climate Change, held in Copenhagen, in December 2009. Besides this, it is part of the state's strategy to combat forest fires and burn-offs.

With this, the project will provide support for efforts towards monitoring, preventing and combating deforestation caused by forest fires and unauthorized burn-offs in the state of Tocantins, especially in the central-north region of the state, by training CBM-TO managers and the community, structuring mechanism for integrated management, and purchasing materials and equipment to prepare the Environmental Protection Platoon, located in the municipality of Araguaína.

INTERVENTION LOGIC

- **Products and services**

- » Preparing the Environmental Protection Platoon in Araguaína

- » Training CBM-TO managers and the community in courses focusing on preventing and combating forest fires and burn-offs
 - » Structuring a situation room for the State Fire Committee
 - » Implementing efforts established in the Tocantins State Action Plan to Control Burn-offs
 - **Specific aim**
 - » To better structure the CBM-TO so as to monitor and combat deforestation caused by forest fires and illegal burn-offs
 - **General aim (impact)**
 - » To implement governmental efforts to reduce deforestation caused by forest fires and illegal burn-offs in the state of Tocantins
-

ACTIVITIES CONDUCTED

The CBM-TO held nine meetings with managers from 19 public entities to integrate and exchange ideas related to combating forest fires and burn-offs. Among the entities and organs that took part in these meetings were: the Tocantins State Coordination for Civil Defense, the Brazilian Institute for the Environment and Renewable Resources (IBAMA), the Tocantins Nature Institute (Naturatins), the state's Public Prosecutor's Office, the Secretariat of the Environment and Sustainable Development, the Brazilian Army, military and civil police from the state of Tocantins, the Chico Mendes Biodiversity Conservation Institute (ICMbio), the National Institute on Colonization and Agrarian Reform (INCRA) etc.

At these meetings, efforts to prevent and combat fires were planned for the entire state of Tocantins, defining tasks and attributions aimed at reducing costs and increasing efficiency of efforts to prevent and combat burn-offs.

To carry out the efforts towards preventing and combating burn-offs, some 653 citizens were trained as fire fighters; and, to implement the Environmental Protection Platoon and structure the situation room for the State Fire Committee, computer equipment, vehicles, backpack kits, fire swatters (beaters), GPS systems, radios etc.

ACRE: INCÊNDIOS FLORESTAIS ZERO

ACRE: ZERO FOREST FIRES

PROJECT MANAGEMENT

State of Acre/Acre State Military Fire Fighters (CBM-AC)
<www.ac.gov.br> <www.bombeiros.ac.gov.br>

TERRITORIAL SCOPE

State of Acre

BENEFICIARY

The population of the state of Acre

OBJECTIVE

To provide support for efforts towards monitoring, preventing and combating deforestation caused by forest fires and unauthorized burn-offs in the state of Acre, by training and purchasing vehicles and support equipment for the Forest Fire Education, Protection and Combat Platoons within the CBM-AC

**TOTAL COST
OF THE PROJECT**
R\$ 13,337,700.00
(US\$ 5,693,545.36)

**AMAZON FUND
SUPPORT**
R\$ 13,280,700.00
(US\$ 5,669,213.42)

**ESTIMATED
COMPLETION DATE**
24 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 7.6.2012	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
5.8.2012	7.5.2012	R\$ 5,835,000.00	R\$ 5,835,000.00 (US\$ 2,490,822.04)	44%



CONTEXTUALIZATION

The state of Acre covers an area of 164,000 km², accounting for, approximately, 2% of Brazil's territory. The state has 22 municipalities and a population of 746,000 inhabitants, according to data from 2010 conducted by the Brazilian Institute of Geography and Statistics (IBGE).

Acre's economy is concentrated heavily in wood and non-wood forest sectors, which are responsible for 17% of the state's GDP. Due to the historic importance of this sector, environmental policy in the state is seeking to add value to active forests in such a way as to increase the participation of forest activities in the local economy even more.

Besides this, the state of Acre has a broad legislation on territorial and environmental management. Standing apart is Economic-Ecological Zoning, which guides all public policy related to developing state land. Another important aspect, concerning the preservation of vegetation coverage, is the State Plan to Prevent and Control Deforestation in Acre, which aims to guarantee that goals established for the nation in the Action Plan to Prevent and Combat Deforestation in the Legal Amazon (PPCDAM) are met.

With regard to the land-title structure, the participation of the Conservation Units on indigenous land has been expressive, expanding across 45% of the state's land.

THE PROJECT

The project aims to help reduce greenhouse gas emissions resulting from unauthorized burn-offs and forest fires, by monitoring, preventing and combating deforestation. To reach its goal, two efforts have been established. The first involves purchasing equipment to help structure the Forest Fire Education, Protection and Combat Platoons that are part of the Acre State Military Fire Fighters (CBM-AC), for efforts towards monitoring, preventing and combating forest fires and unauthorized burn-offs.

The second effort seeks to train military firefighters as managers to control, monitor, help inspect and combat forest fires in graduate courses focusing on environmental monitoring.

In addition, the project will also conduct activities aimed at effectively implementing the National Program to Reduce the Use of Fire in Rural and Forest Areas (PRONAFOGO), designed by the Ministry of the Environment, in accordance with the State Plan to Prevent and Control Deforestation. These activities include motivation and training to create municipal and indigenous brigades to carry out routine and operational activities and procedures in integrated efforts, as well as implementing a safety plan for authorized burn-offs, among others.

INTERVENTION LOGIC

- **Products and services**

- » Physically and operationally structuring the CBM-AC's Land Platoons to monitor, prevent and combat deforestation, unauthorized burn-offs and forest fires
- » Training CBM-AC managers in graduate courses in Environmental Sciences, and training citizens in fire fighting techniques to form citizens brigades

- **Specific aim**

- » To better structure the CBM-AC to monitor and combat deforestation caused by unauthorized burn-offs and forest fires

- **General aim (impact)**

- » To implement governmental efforts to help reduce deforestation caused by unauthorized burn-offs and forest fires in the state of Acre

ACTIVITIES CONDUCTED

Situation agencies were structured to monitor efforts towards preventing and combating forest fires, both in the barracks in the five regional stations (Juruá, Envira-Tarauacá, Purus, Baixo Acre and Alto Acre) as well as in the state's central station.

Five CBM-AC managers are being trained in graduate courses focusing on environmental monitoring. Also trained were military fire fighters to use monitoring tools made available by the National Institute for Space Research (INPE).

Military fire fighters ran training sessions for rural producers in the associations' headquarters and presented lectures in schools throughout the rural areas on fire prevention and how to deal with unauthorized burn-offs and forest fires.

Some 20 light-weight vehicles were purchased, and 10 trucks and other equipment are in the process of being acquired to be used in operations aimed at preventing and combating forest fires.

BOMBEIROS FLORESTAIS DE MATO GROSSO

FOREST FIRE FIGHTERS IN MATO GROSSO

PROJECT MANAGEMENT

State of Mato Grosso <www.mt.gov.br> <www.seguranca.mt.gov.br>
<www.bombeiros.mt.gov.br>

TERRITORIAL SCOPE

State of Mato Grosso

BENEFICIARY

The population in the region where the Sinop Aerial and Land Operations Base works

OBJECTIVE

To provide support for efforts towards monitoring, preventing and combating deforestation caused by forest fires and unauthorized burn-offs in the state of Mato Grosso, by training and purchasing aircraft, vehicles and support equipment for the Aerial and Land Operations Base that is part of the state's Military Fire Fighters (CBM), located in the city of Sinop

**TOTAL COST
OF THE PROJECT**
R\$ 16,742,500.00
(US\$ 7,146,973.10)

**AMAZON FUND
SUPPORT**
R\$ 12,625,000.00
(US\$ 5,389,310.76)

**ESTIMATED
COMPLETION DATE**
24 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED
9.13.2011	1.17.2012	R\$ 8,268,720.00 (US\$ 3,529,718.95)
1 ST DISBURSEMENT ON 7.6.2012	2 ND DISBURSEMENT ON 8.1.2013	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
R\$ 579,120.00	R\$ 7,689,600.00	66%



CONTEXTUALIZATION

Mato Grosso covers an area of 903,000 km², accounting for 10.6% of Brazil's territory, including 141 municipalities and, according to data from 2010 conducted by the Brazilian Institute of Geography and Statistics (IBGE), a population of 3,033,991 inhabitants.

Up to 2009, approximately 39% of the forestland in the state of Mato Grosso had already been deforested. Nevertheless, over the last few years, this has been reverted and the state's deforestation rate has fallen significantly. Between 2004, when the rate was at its highest, and 2011, the deforestation rate fell 90%.

In October 2009, the state of Mato Grosso, in a partnership with the Ministry of the Environment, designed the State Plan to Prevent and Control Deforestation and Burn-Offs (PPCDQ-MT), which includes initiatives to reverse deforestation, which are mainly linked to state entities, such as the State Secretariat of the Environment (SEMA-MT) and the Mato Grosso Military Fire Fighters (CBM-MT).

Formally, the PPCDQ-MT was instituted by Decree N^o. 2,943, of October 27, 2010, and is structured into four main areas: environmental planning and land-title regularization; monitoring and control; support for sustainable activities; as well as governance and executive management. The Forest Fire Fighters in the State of Mato Grosso seeks to help structure the PPCDQ-MT and improve communication between entities that are responsible for controlling deforestation.

The entity responsible for the project is the CBM-MT. The CBM-MT's attributions, defined in the State Complementary Act N^o 404, of June 30, 2010, include educational activities on preventing fires and protecting the environment, as well as offering prevention services and putting out forest fires so as to protect the environment.

The same law instituted the CBM-MT's Environmental Emergency Platoon (BEA) to attend emergencies related to preventing and combating unauthorized burn-offs and forest fires. The CBM-MT, in total has 17 operational stations – one in the city of Cuiabá, another in the neighboring city of Várzea Grande, while the others are scattered throughout the cities in the interior of the state.

THE PROJECT

The project seeks to offer support to efforts towards monitoring, preventing and combating deforestation, unauthorized burn-offs and forest fires in the state of Mato Grosso, by training employees and partners of the state Military Fire Fighters, as well as acquiring aircraft, vehicles and support equipment for the CBM-MT's Aerial and Land Operation Base, located in the city of Sinop.

INTERVENTION LOGIC

- **Products and services**

- » Structuring the Aerial and Land Operation Base, located in the city of Sinop
- » Training CBM-MT pilots to operate fixed-wing aircraft
- » Training CBM-MT managers and partners in graduate courses in Environmental Sciences

- **Specific aim**

- » To better structure the CBM-MT's Operations Base in Sinop to monitor and combat deforestation caused by unauthorized burn-offs and forest fires

- **General aim (impact)**

- » To implement governmental efforts to reduce deforestation caused by unauthorized burn-offs and forest fires in the state of Mato Grosso

ACTIVITIES CONDUCTED

A donation of land was formalized on which the Aerial and Land Operations Base will be built in Sinop, now referred to as the Environmental Emergency Platoon of the Military Fire Fighters. The architectural project for the base is in the final stages.

Visits were made to the municipalities covered by the project and exclusive teams were formed to prevent and combat forest fires.

Fire swatters (beaters) and backpack extinguisher kits were purchased, and other equipment, materials and hoses are being bought. Two fixed-wing aircraft were purchased to monitor and combat forest fires, each with the capacity to carry 3,000 liters of water. They will be operational in 2014.

A mechanic is being trained to repair and maintain the aircraft, as are seven pilots. The latter have completed the theoretical stage of training and are currently undergoing practical training (increasing flight hours).

SDS

AMAZONAS

SDS AMAZONAS

PROJECT MANAGEMENT

State of Amazonas

TERRITORIAL SCOPE

Municipalities in the southern region of the state of Amazonas (Boca do Acre, Lábrea, Apuí and Novo Aripuanã) <www.sds.am.gov.br>

BENEFICIARY

Population in the cities of Boca do Acre, Lábrea, Apuí and Novo Aripuanã

OBJECTIVE

To provide support for environmental management in areas suffering from deforestation in the state of Amazonas by designing legal frameworks for registration – Rural Environmental Registration (CAR) –; by encouraging environmental and land-title regularization; by improving mechanisms for licensing and environmental monitoring; and recovering deforested areas with reforestation aimed at the economy and ecology.

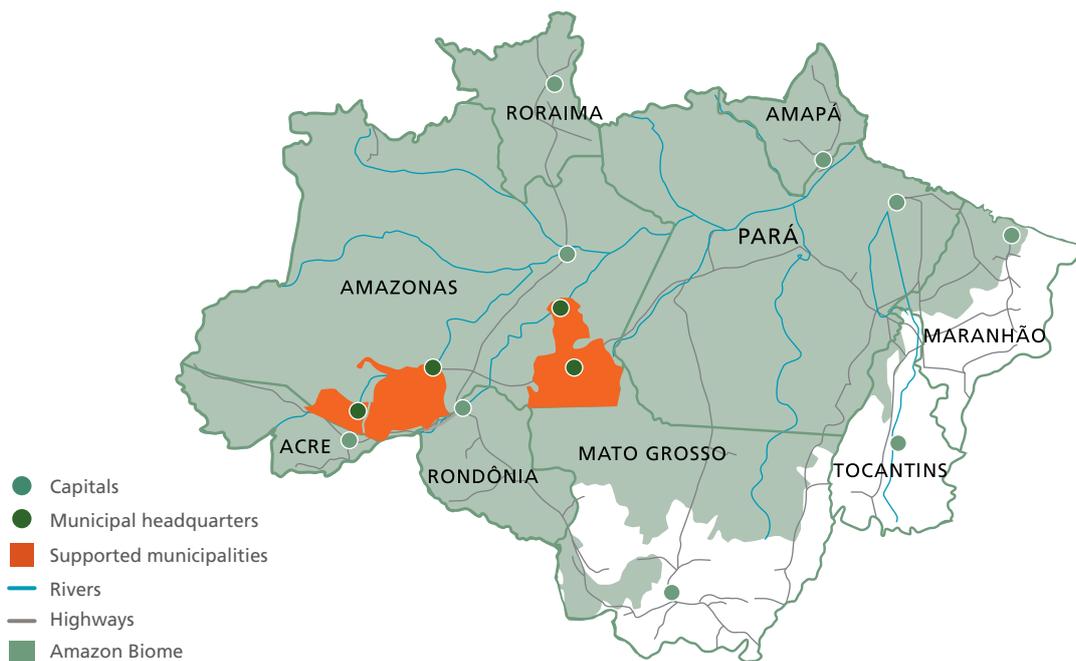
TOTAL COST OF THE PROJECT
R\$ 20,000,000.00
(US\$ 8,537,522.00)

AMAZON FUND SUPPORT
R\$ 20,000,000.00
(US\$ 8,537,522.00)

ESTIMATED COMPLETION DATE
36 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED 8.17.2010	DATE AWARDED 12.17.2010	1ST DISBURSEMENT ON 8.17.2011 R\$ 1,129,355.42	2ND DISBURSEMENT ON 4.20.2012 R\$ 3,026,018.98
3RD DISBURSEMENT ON 12.7.2012 R\$ 11,111,987.00	4TH DISBURSEMENT ON 9.25.2013 R\$ 2,249,386.02	TOTAL AMOUNT DISBURSED R\$ 17,516,747.42 (US\$ 7,477,480.82)	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT 86%



CONTEXTUALIZATION

The state of Amazonas holds the largest valuable forest in Brazil. There are 140 million hectares of native forest, and close to 52% of the territory is legally protected. Of the latter, some 28% is indigenous land, 12% is state Conservation Units (CUs) and 12% is federal CUs. It has the lowest deforestation rate in the Amazon Region (close to 2%), despite the municipalities located in the southern region of the state presenting high rates of deforestation. Among the main causes are: migration from neighboring states; the lack of integrated policies aimed at sustainable development in the region; timid efforts promoting land-title regularization and the lack of permanent control and environmental inspection.

THE PROJECT

The Amazonas Project will implement efforts aimed at four municipalities in the southern region of the state – Boca do Acre, Lábrea, Apuí and Novo Aripuanã –, which have the significant deforestation rates.

The first effort seeks to strengthen environmental management by designing technical norms to establish and implement the Rural Environmental (CAR), as well as Environmental Licensing for Sustainable Production in the four cities.

The second focuses on land-title regularization in state-owned areas, in the municipalities of Boca do Acre and Novo Aripuanã, targeting 800 properties. Such regularization consists of registration, collecting socio-economic data, inspection, formalizing the process, granting a provisional land-title, topographic demarcation, and georeferencing and, then, granting the definitive land title.

The third aims to recover deforested areas by reforesting with species that offer economic and ecological promise. For such, workshops to raise awareness will be offered to local populations, as well as training and technical assistance on the use and sustainable management of natural resources. This will be done using demonstrative units where producers can observe implementation methods and the results of agroforestry systems.

The project will be implemented by the State Secretariat of the Environment and Sustainable Development (SDS), in partnership with the Institute for Developing Farming, Cattle-raising, and Sustainable Forestry in the State of Amazonas (IDAM), the Amazonas Environmental Protection Institute (IPAAM), the Amazonas Land Institute (ITEAM), the Municipal Secretariats of the Environment, Municipal Secretariats of Rural Production and other entities specialized in environmental recovery.

INTERVENTION LOGIC

• Products and services

- » Holding workshops to raise awareness, training in agroforestry techniques, as well as implementing units to provide demonstrative courses on rotational grazing management
- » Attending 1,000 requests for technical assistance and collecting socio-economic data in the municipalities and from beneficiaries
- » Implementing 1,000 soil management projects for simultaneous cultivation of farming cultures and forest species – agroforestry systems (SAFs) – recovering 1,400 ha per area of saplings
- » Land-title regularization of 800 rural properties and increasing the database with land-title information
- » Carrying out rural environmental diagnosis for 1,000 properties in the municipalities of Boca do Acre, Lábrea, Novo Aripuanã and Apuí
- » Providing technical training for partners on CAR legislation and the use of the State Environmental Information System
- » Creating a databank with information from the CAR in the municipalities of Boca do Acre, Lábrea, Novo Aripuanã and Apuí
- » Designing legal instruments to establish the CAR and restructuring Permanent Preservation Areas and Legal Reserves

• Specific aims

- » To expand technical and managerial capacities to implement agroforestry systems, sustainable management of natural resources in the municipalities of Boca do Acre, Lábrea, Novo Aripuanã and Apuí
- » To recover deforested and degraded areas so as to use them for economic purposes, and ecological conservation in the municipalities of Boca do Acre, Lábrea, Novo Aripuanã and Apuí
- » To expand the areas with land-titles in order (regularized) in the municipalities of Boca do Acre and Novo Aripuanã
- » To expand access for rural producers to environmentally regularize their properties in the state of Amazonas

• General aims (impacts)

- » To implement activities that maintain the forest standing and that are economically attractive in the municipalities of Boca do Acre, Lábrea, Novo Aripuanã and Apuí
- » To implement territorial planning in areas throughout the municipalities of Boca do Acre and Novo Aripuanã
- » To implement Amazonas state efforts to guarantee that man-made activities meet environmental legislation

ACTIVITIES CONDUCTED

Legal instruments were designed to implement the CAR and to recover the permanent preservation areas and the legal reserves. The State Law N°. 3,635/2011, which regulates the state CAR program, was published.

Partners received training on CAR legislation and the use of the State Environmental Information System (SEIAM), with 30 courses held, training 440 technicians.

Some 1,000 rural producers with up to four government-established land modules (400 ha – each state has a different measurement) were enrolled in the CAR. The breakdown was: 345 enrollments in the municipality of Apuí, 250 in Boca do Acre, 259 in Lábrea and 146 in Novo Aripuanã.

Some 440 people were trained to implement SAFs, grazing management and agroextractionist production. Besides this, two nurseries for saplings were implemented in the municipalities of Apuí and Lábrea. Saplings were provided to local land-owners to implement SAFs.

Five demonstrative SAFs were implemented, as were four demonstrative units for integrating farming-cattle-raising-forests, and three demonstrative units for rotational grazing.

VALORIZAÇÃO DO ATIVO AMBIENTAL FLORESTAL

IMPORTANCE OF FOREST ENVIRONMENTAL ASSETS

PROJECT MANAGEMENT

State of Acre <www.ac.gov.br>

TERRITORIAL SCOPE

State of Acre

BENEFICIARY

Settler populations and family farmers

OBJECTIVE

To boost sustainable practices aimed at reducing deforestation, with payments for environmental services, adding value to the environment and the forest as an asset to consolidate clean, fair and competitive economies, based on Ecological-Economic Zoning

TOTAL COST OF THE PROJECT

R\$ 66,700,000.00
(US\$ 28,472,635.87)

AMAZON FUND SUPPORT

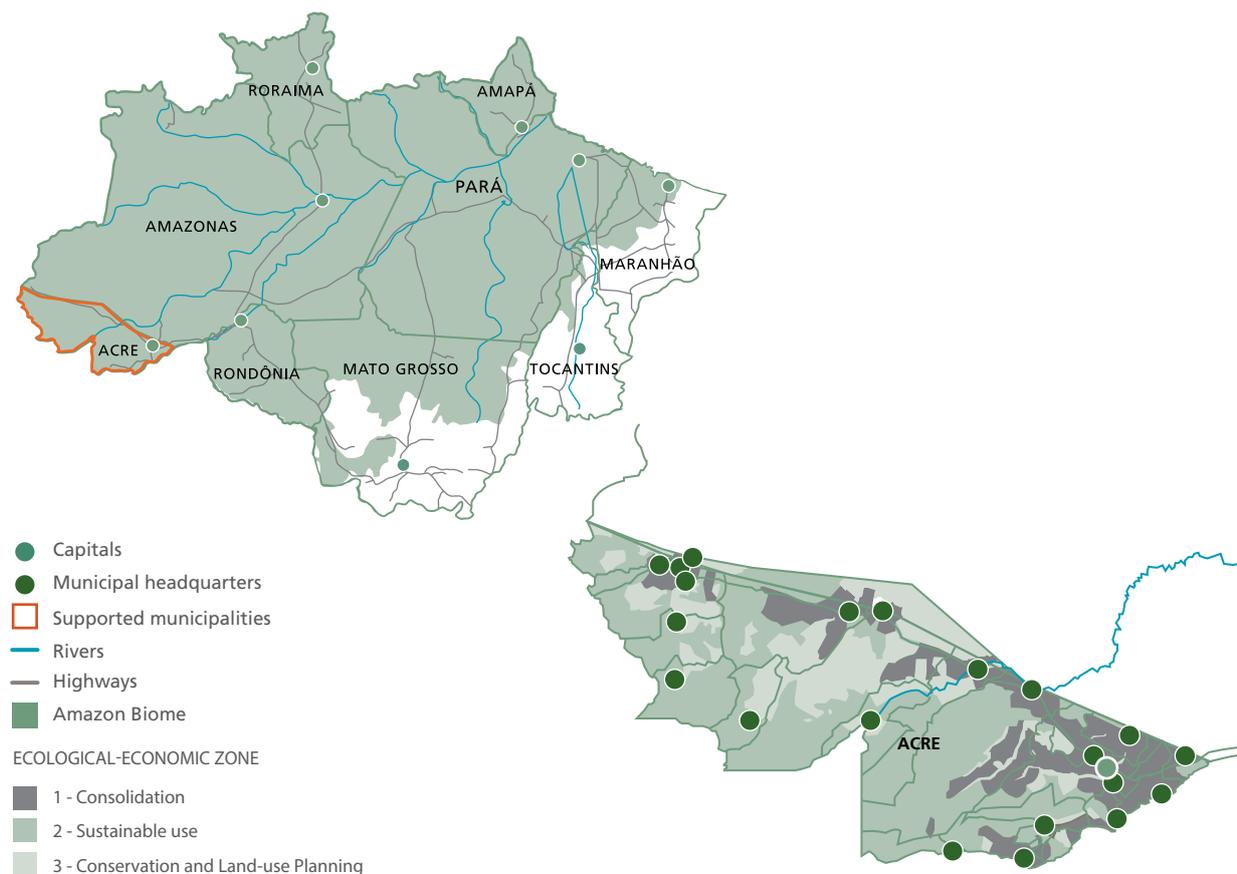
R\$ 60,000,000.00
(US\$ 25,612,566.00)

ESTIMATED COMPLETION DATE

36 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED 10.26.2010	DATE AWARDED 11.19.2010	1ST DISBURSEMENT ON 10.5.2011 R\$ 31,557,354.63
2ND DISBURSEMENT ON 12.17.2013 R\$ 5,000,000.00	TOTAL AMOUNT DISBURSED R\$ 36,557,354.63 (US\$ 15,605,460.97)	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT 61%



CONTEXTUALIZATION

The state of Acre is one of the most engaged in implementing integrated environmental and territorial management, besides seeking effective instruments to build an economy that, in a sustainable fashion, incorporates forest products and services.

The Acre state government instituted a Policy to Add Value to the Active Environment, seeking to establish basic guidelines to implement payments for environmental services, as well as other policies that foster territorial planning and strengthen sustainable production sectors. Launched in September 2008, this policy has been implemented through an integrated strategy at both municipal and state levels, involving organized social movements.

THE PROJECT

The Acre state project aims to provide support for its policy aimed at adding value to the active environment and forest by strengthening integrated territorial management, fostering forest and agroforestry production sectors, and offering technical and financial incentives for environmental services. This plan is being implemented in accordance with the principle that paying for environmental services (financial and economic incentives) is linked to adopting sustainable practices and environmental criteria.

The project includes efforts to improve the system to monitor, control and inspect altered areas by strengthening institutions responsible for territorial management, as well as incentives for environmental services aimed at: including and consolidating sustainable production practices; forest management of wood and non-wood products; and capturing carbon by reforesting degraded areas. It also includes support for indigenous associations to design territorial management plans, to build surveillance posts, to train teams and to demarcate the boundaries of the 15 indigenous lands (TIs).

INTERVENTION LOGIC

• Products and services

- » Implementing agroforestry systems (SAFs), for community sustainable forest management and community timber enhancement
- » Payment for environmental services to community producers and managers in the municipalities of Tarauacá, Feijó and Manuel Urbano
- » Physically structuring agro-forest producer cooperatives and forest managers
- » Strengthening the State Secretariat for Forests (SEF) by purchasing equipment and inputs; conducting studies; developing a system with information from the forest sector, and training employees
- » Physically and operationally structuring the Secretariat for Expanding Agroforestry and Family Production (SEAPROF)
- » The Federal University of Acre will offer training to specialists in sustainable production in tropical forests
- » Expanding network services in Technical Assistance and Rural Expansion (ATER) to foster production sectors and reduce deforestation
- » Physically and operationally structuring the botanic research laboratory to provide support to the state nursery
- » Training indigenous associations to design management plans, as well as surveillance teams; building surveillance posts, and physically demarcating the boundaries of the 15 TIs in the municipalities of Santa Rosa do Purus, Feijó, Tarauacá, Cruzeiro do Sul and Mâncio Lima
- » Designing studies and diagnosis to help local territorial planning (municipal Ecological-Economic Zoning) in six municipalities along the BR-364 highway in the state of Acre
- » Physically and operationally structuring the Central Branch for Geo-referencing and Remote Sensing (UCGEO) and the Acre Environmental Institute (IMAC)
- » Improving the system to monitor natural disasters
- » Designing studies and diagnosis to foster municipal Plans to Prevent and Control Deforestation (PPCD)
- » Structuring and training municipal community fire brigades to combat fires
- » Physically and operationally structuring municipal secretariats of the environment and integrating them into Acre's Plans to Prevent and Control Deforestation (PPCD-AC)

• Specific aims

- » To identify and develop economic activities that make sustainable use of the forest and biodiversity in the municipalities of Tarauacá, Feijó and Manuel Urbano
- » To expand technical and managerial capacities in the state of Acre so as to implement agroforestry systems, forest management, agro-extractionist production, and enhancement of agroforestry products
- » To produce and disseminate know-how and technologies on producing saplings of higher individual Amazon species for reforestation
- » To strengthen management in 15 TIs throughout the municipalities of Santa Rosa do Purus, Feijó, Tarauacá, Cruzeiro do Sul and Mâncio Lima
- » To implement local territorial planning (municipal Ecological-Economic zoning) in six municipalities along the BR-364 highway in the state of Acre
- » To structure and modernize institutions for monitoring, control and environmental accountability in the state of Acre

• General aims (impacts)

- » To implement activities that maintain the forest standing and that are economically attractive in the state of Acre
- » To implement science, technology and innovation activities in the state of Acre that contribute to recovery, conservation and the sustainable use of the Amazon Biome
- » To implement territorial planning in the state of Acre

- » To implement governmental efforts in the state of Acre and municipal governments to help adjust man-made activities to meet environmental legislation

ACTIVITIES CONDUCTED

The project has provided support to strengthen institutions in the state of Acre so as to improve the system for monitoring, controlling and inspecting altered areas, including the modernization of state entities involved. Highlights include structuring four regional IMAC units and support provided to 21 municipalities to purchase equipment and to design local PPCDs.

Within the efforts to strengthen institutions, results include training 982 individuals for community municipal brigades to combat forest fires, implementing 12 hydrometeorological stations and revitalizing and establishing the territorial boundaries on 24,500 hectares of TIs (65% of the indigenous territories in the state of Acre).

Concerning production activities, the project benefited 1,400 small rural properties with the implementation of SAFs, and a further 200 small properties by implementing sustainable community forest management and community wood enhancement. Of these, some 400 families received payment for environmental services rendered, through a program that certifies rural properties in the state.

In addition, the project provided support to build a laboratory to select and micro-cultivate saplings, which is at the beginning of operations and will supply saplings to improve the SAFs within the project.

SECRETARIA DE MEIO AMBIENTE DO PARÁ

SECRETARIAT OF THE ENVIRONMENT
IN THE STATE OF PARÁ

PROJECT MANAGEMENT

State of Pará <www.sema.pa.gov.br>

TERRITORIAL SCOPE

State of Pará

BENEFICIARY

Population in the state of Pará, especially rural producers

OBJECTIVE

To provide support to strengthen environmental management in the state of Pará by improving the processes to issue the Rural Environmental Registration (CAR), by decentralizing the activities carried out by the Secretariat of the Environment in the State of Pará (SEMA) and improving the legal processes for environmental licensing

TOTAL COST OF THE PROJECT

R\$ 15,923,230.00
(US\$ 6,797,246.32)

AMAZON FUND SUPPORT

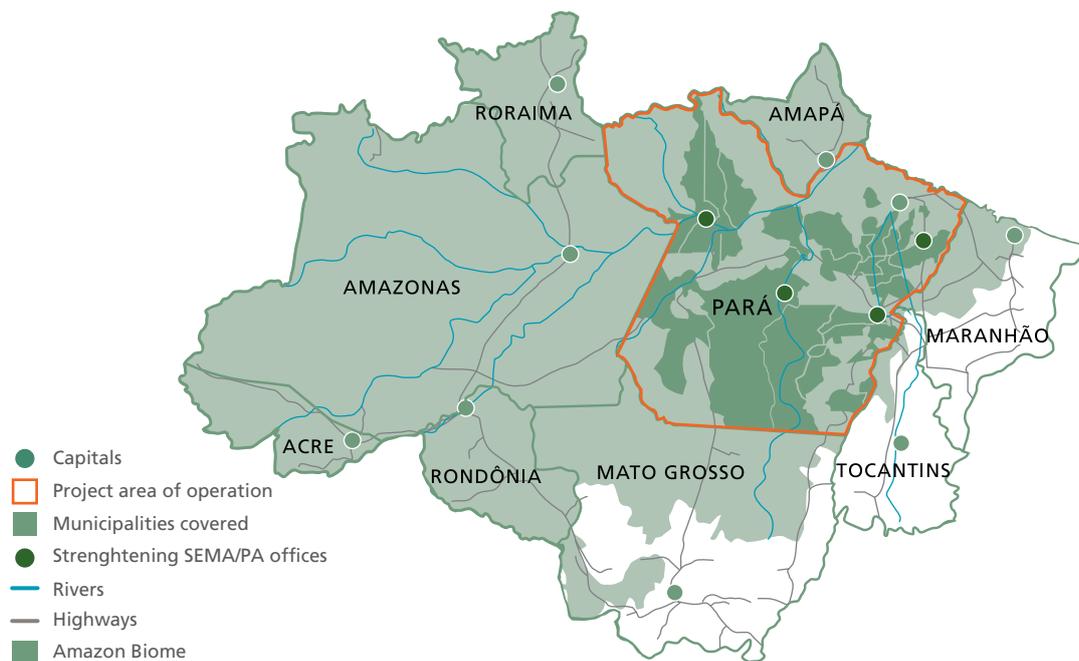
R\$ 15,923,230.00
(US\$ 6,797,246.32)

ESTIMATED COMPLETION DATE

48 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT	2 ND DISBURSEMENT	3 RD DISBURSEMENT
7.9.2010	10.6.2010	ON 12.28.2011 R\$ 3,216,379.62	ON 8.13.2012 R\$ 1,199,844.60	ON 11.8.2012 R\$ 1,715,646.40
4 TH DISBURSEMENT	5 TH DISBURSEMENT	6 TH DISBURSEMENT	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
ON 12.7.2012 R\$ 3,492,530.68	ON 5.3.2013 R\$ 1,015,607.64	ON 8.27.2013 R\$ 1,141,600.00	R\$ 11,781,608.94 (US\$ 5,029,287.28)	74%



CONTEXTUALIZATION

Pará is Brazil's second largest state and the most populated in the Amazon Biome. It also has the highest deforestation rates for the Amazon Forest, due to expanding vegetation extraction, cattle-raising and, more recently, soybean cultivation.

Over the last few years, however, the state government has made efforts to align environmental protection with socio-economic development, which has resulted in a drop in deforestation in the region. In 2011, according to data from the National Institute for Space Research (INPE), Pará's deforestation rate fell 23.9% compared to the previous year.

THE PROJECT

The project in the state of Pará aims to strengthen municipalities and regions to make environmental management throughout the entire state more efficient.

The strategy is to decentralize the activities of the Pará State Secretariat of the Environment (SEMA-PA) by structuring municipal environmental networks and implementing and strengthening regional units.

To decentralize the SEMA-PA's activities, efforts will be made to physically and operationally structure municipal environmental administration branches, even reinforcing technological infrastructure to help implement the Rural Environmental Registration (CAR) and improving the legal process of environmental licensing.

Decentralizing environmental management in the state includes implementing and strengthening regional branches, bringing SEMA-PA closer to inhabitants and economic agents in the more distant regions from the capital, Belém. To achieve this goal, regional branches will be set up in the municipalities of Marabá, Santarém, Paragominas and Altamira, in addition to the SEMA-PA headquarters in Belém.

INTERVENTION LOGIC

• Products and services

- » Improving SEMA-PA's headquarters infrastructure and the environmental licensing process by revising state legislation, training technicians and purchasing operational infrastructure
- » Decentralizing environmental management by strengthening four regional SEMA-PA branches
- » Strengthening infrastructure in the state of Pará to issue CAR

- » Strengthening municipal environmental management by physically and operationally structuring environmental administration branches

- **Specific aims**

- » To structure and modernize institutions for monitoring, control and environmental accountability in the state of Pará
- » To facilitate access for rural producers in the state of Pará to environmental regularization of the properties

- **General aim (impact)**

- » To implement governmental efforts to help adjust man-made activities to meet environmental legislation in the state of Pará

ACTIVITIES CONDUCTED

Up to 2008, only 10 municipalities in the state of Pará were authorized to carry out municipal environmental management. Today, some 56 municipalities have signed decentralization terms or agreements with the state of Pará and are now carrying out their own environmental management. The municipalities will benefit from the project, receiving information-technology equipment, motorcycles, helmets, GPS, cameras and binoculars. Of the municipalities that are authorized to conduct their own environmental management, some 25 have already benefited from the list of equipment.

Upon decentralizing environmental management, four regional SEMA-PA branches were benefited with vehicles, furniture and IT equipment.

Implementing the CAR infrastructure helped strengthen the geotechnology with the purchase of software and hardware.

Environmental licensing was strengthened by purchasing vehicles, field inspection kits, furniture, as well as IT equipment. SEMA-PA was given a monitoring room to follow up on licensed undertakings through geoprocessing and remote sensing.

PROJECT CONCLUDED

OLHOS D'ÁGUA DA AMAZÔNIA

AMAZON OLHOS D'ÁGUA

PROJECT MANAGEMENT

Municipality of Alta Floresta, in the state of Mato Grosso
<www.podam.com.br>

TERRITORIAL SCOPE

Municipality of Alta Floresta, in the state of Mato Grosso

BENEFICIARY

Local population, especially rural producers

OBJECTIVE

To provide support to strengthen municipal environmental management by conducting environmental diagnosis making is feasible to register small rural properties in the Rural Environmental Registration (CAR), besides fostering efforts to recover degraded permanent preservation areas close to springs located on the small properties

TOTAL COST OF THE PROJECT

R\$ 2,781,340.40
(US\$ 1,187,287.74)

AMAZON FUND SUPPORT

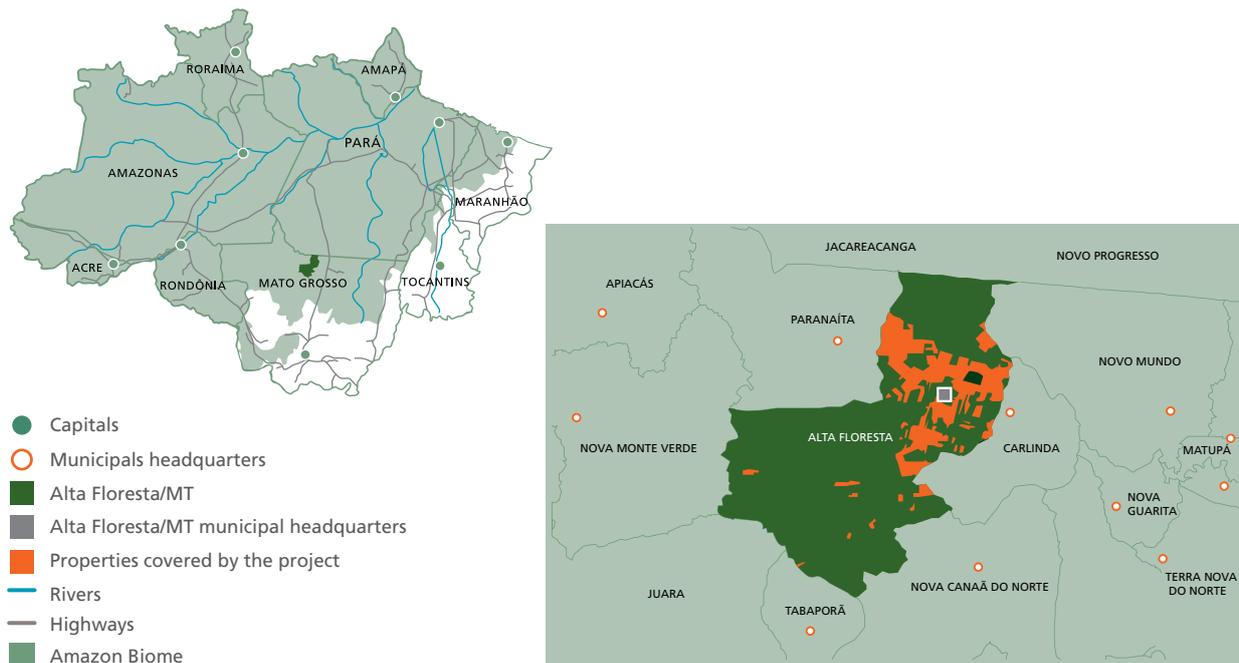
R\$ 2,781,340.40
(US\$ 1,187,287.74)

ESTIMATED COMPLETION DATE

36 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 3.23.2011	2 ND DISBURSEMENT ON 7.15.2011	3 RD DISBURSEMENT ON 12.15.2011
8.17.2010	1.25.2011	R\$ 402,082.30	R\$ 1,207,952.69	R\$ 741,853.95
4 TH DISBURSEMENT ON 7.23.2012	5 TH DISBURSEMENT ON 1.23.2013	6 TH DISBURSEMENT ON 11.27.2013	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
R\$ 346,788.12	R\$ 44,133.60	R\$ 38,529.74	R\$ 2,781,340.40 (US\$ 1,187,287.74)	100%



CONTEXTUALIZATION

The municipality of Alta Floresta is located in the extreme north of the state of Mato Grosso, in an area suffering from extreme deforestation. In 2008, the Ministry of the Environment included the city on the list of priority municipalities for efforts to monitor and control deforestation.

Income in Alta Floresta is influenced by the predominant economic activities, which include cattle-raising and timber exploration. As a result of the occupation of the municipality's territory and the economic activities developed there, there has been environmental degradation. In 2012, the deforested area in the municipality of Alta Floresta accounted for 54% of its total area. According to data from the Municipal Secretariat of the Environment in Alta Floresta, of the nearly 8,000 springs that exist in the municipality, only 4,000 were preserved in 2010.

THE PROJECT

The project Amazon Olhos d'Água includes a series of efforts to tackle the rural environmental degradation problem in Alta Floresta, especially the springs located on small properties, preventing water shortage problems in the city.

Among the activities implemented by the project was support to help small rural producers to adhere to the Rural Environmental Registration (CAR), an environmental management instrument that, through geo-processing, enables the delimitation of rural properties, identifying permanent preservation areas and legal reserves, for environmental recovery and monitoring.

The project also provides support to design technical projects to recover permanent preservation areas on rural property and to make it feasible to recover springs on small properties, as well as implementing demonstrative projects showing agroforestry systems with seed and sapling planting, as well as plants with ecological grazing management in 20 rural properties in Alta Floresta.

Besides having contributed to removing Alta Floresta from the list of municipalities that deforest more in the Amazon and to the recovery of degraded areas, the project Amazon Olhos d'Água also supplied municipal administration instruments to improve and provide efforts aimed at monitoring and controlling deforestation.

INTERVENTION LOGIC

• Products and services

- » Holding workshops to train producers in the art of agroforestry systems, ecological grazing management and collection, as well as seed enhancement and storage
- » Implementing 20 demonstrative agroforestry systems (SAFs) and ecological grazing management
- » Supplying inputs and technical support to rural producers to implement SAFs, grazing management, environmental isolation and recovery of area suffering from altered environmental preservation.
- » Putting together a communication plan to help rural producers to adhere to efforts aimed at environmental recovery and protection of springs.
- » Designing recovery projects for degraded areas on properties included in the CAR
- » Implementing environmental monitoring systems for deforestation and burn-offs, training staff at the Municipal Secretariat of the Environment in geo-processing techniques
- » Carrying out environmental diagnosis, increasing registration and georeferencing of small rural properties in the municipality of Alta Floresta to adhere to the CAR and to obtain the rural property certificate issued by the National Institute of Colonization and Agrarian Reform (INCRA)

• Specific aims

- » To expand technical training for producers in Alta Floresta so as to implement agroforestry systems and grazing rotation activities
- » To recover and use deforested and degraded areas for economic purposes and the conservation of properties registered in the CAR in the municipality of Alta Floresta
- » To structure and modernize the Municipal Secretariat of the Environment in Alta Floresta for monitoring, control and environmental accountability
- » To facilitate access for rural producers in Alta Floresta to environmental and land-title regularization of their properties

• General aims (impacts)

- » To implement activities that maintain the forest standing and that are economically attractive in the municipality of Alta Floresta
- » To implement municipal efforts in the city of Alta Floresta to help adjust man-made activities to meet environmental legislation

ACTIVITIES CONDUCTED

Following are the main activities developed within the scope of the project Amazon Olhos d'Água:

1. A technical team was trained, emphasizing georeferencing, CAR, implementing agroforestry systems to recover degraded areas, grazing rotation and environmental monitoring
2. Rural producers were mobilized to environmentally regularize their properties, by adhering to the CAR, and to obtain the rural property certificate issued by INCRA
3. Support was provided to implement the CAR in Alta Floresta. Requests to enroll were registered for 2,801 properties at the Mato Grosso State Secretariat of the Environment (SEMA-MT), covering an area of 159,028 hectares
4. Geodesic georeferencing was carried out on 1,220 rural properties aimed at obtaining the rural property certificate issued by INCRA, covering an area of 46,858 hectares
5. Some 1,738 hectares of degraded permanent preservation areas (riverbank growth) were reforested, by distributing material to rural producers, including wire, bark chips, seeds and saplings, to isolate planting areas. Of this total, some 101 hectares were implemented through agroforestry systems, which mix tree species with farming. Also, close to springs were fenced off for recovery

6. Degraded areas undergoing recovery and natural regeneration close to springs and along riverbanks were monitored, as was deforestation and burn-offs in 100% of the Alta Floresta municipal area
7. Some 20 demonstrative grazing rotation examples and agroforestry systems were implemented, with 80 hectares of pasture recovered
8. A geographical databank was built at the Municipal Secretariat of the Environment in Alta Floresta, using data from the properties enrolled in the CAR and satellite images with important information on rural properties
9. The seminar Recovery of Degraded and Deforested Areas and Grazing Rotation on the Portal of the Amazon was held, focusing on aligning concepts and practices in issues such as recovery of degraded areas and grazing rotation for dairy and beef cattle-raising activities. Also, the seminar Strategies and Projects for a Green Municipality in the Amazon was held, which included an assessment of the impacts achieved in the first year of the project Amazon Olhos d'Água

Institutional and administrative aspects

The project Amazon Olhos d'Água, among others, had the following partners: the State University of Mato Grosso (UNEMAT), the Life Center institute (ICV), the Ouro Verde institute (IOV), the Avina Foundation, INCRA, the Brazilian Farming and Cattle-raising Research Company (EMBRAPA), SEMA-MT, the Municipal Secretariat of Agriculture in Alta Floresta and the Alta Floresta Rural Union.

In the scientific field, UNEMAT was key to collecting botanic data. In the technical area, the ICV, the IOV, the Avina Foundation, INCRA, SEMA-MT and Embrapa contributed with know-how in their respective areas. Embrapa also made available its technical team for specialized technical follow-up.

INCRA signed a term of commitment to speed up the analysis of rural georeferencing processes sent to obtain the rural property certificate that it issues. In its turn, together with SEMA-MT a partnership was established to effectively carry out environmental regularization of the municipal territory through adherence to the CAR.

Indicators for results and impacts

Main indicators for the project:

- **Number of properties that managed to protocol their request for CAR at SEMA-MT**

Some 2,801 rural property requests for CAR were protocolled, meaning some 82% of the Alta Floresta municipal area was registered.

The municipality of Alta Floresta, in 2008, was included on the list of priority municipalities for efforts to prevent and control deforestation in the Amazon, which gave rise to restrictions on rural producers in this city, even in terms of credit. The municipality was included on this list due to the total area that had been deforested and the increasing rate of deforestation.

To be removed from the list of municipalities that deforest most in the Amazon and to be seen as having deforestation monitored and under control, the municipality had to meet several criteria. One was that 80% of its territory (excluding public Conservation Units and registered indigenous land) containing rural properties would be monitored by the CAR.

Once implemented, the project managed to meet this and other criteria so that Alta Floresta could be removed from the list of the cities that most deforest, which occurred in 2012 by means of the Ministerial Order N°. 187 issued by the Ministry of the Environment.

- **Reforested areas**

The project's goal was to recover 1,200 hectares. The project is in the process of recovering 1,738 hectares.

- **Number of demonstrative units implemented**

Some 20 demonstrative units were implemented in four sectors of the municipality of Alta Floresta, with grazing rotation activities totaling 80 hectares and the recovery of 101 hectares of degraded areas through the use of agroforestry systems. On the 20 properties that benefited directly from the project, the rate of animal per hectare improved, going from one to three head of cattle per hectare, an increase of 300%.

- **Number of families and people benefiting**

Some 10,992 people (2,748 families) benefited directly, of which 6,705 were men (61%) and 4,287, women (39%).

Another monitored indicator is the annual deforestation rate in the municipality of Alta Floresta, measured by the National Institute for Space Research (INPE) (Table 3).

TABLE 3: ANNUAL DEFORESTATION RATE IN THE ALTA FLORESTA MUNICIPALITY

YEAR	ANNUAL DEFORESTATION IN KM ²
2002	132.6
2003	126.2
2004	230.9
2005	124.9
2006	97.1
2007	61.4
2008	15.3
2009	7.2
2010	3.0
2011	5.8
2012	1.6

The Table 3 shows a substantial drop in deforestation since 2006, as a result of public policies aimed at combating deforestation which were implemented as of 2004. In the year immediately preceding the support from the Amazon Fund, that is, in 2010, annual deforestation in the municipality of Alta Floresta was 3 km². In 2012, deforestation measured by INPE was 1.6 km², that is, there was a fall in deforestation over this period.

Other indicators used by the project:

- **Number of producers trained to implement agroforestry systems: 1,720**
- **Number of rural properties benefiting from the recovery of deforested areas through the use of agroforestry systems, conventional planting and/or natural regeneration: 1,314**
- **Number of calls attended from rural producers requesting technical assistance: 5,600**
- **Number of staff members of the Municipal Secretariat of the Environment that were trained in monitoring based on geo-processing techniques: 17**
- **Number of properties that were mapped out using georeferencing and that are now ready to register on the CAR: 3,361**
- **Number of property perimeters that were mapped out using georeferencing to obtain the rural property certificate issued by INCRA: 1,220**

Sustainability of results¹

The project Amazon Olhos d'Água was key in removing the municipality of Alta Floresta from the list of cities that deforest most in the Amazon. The federal government established that municipalities removed from this list would be classified as having deforestation monitored and under control. In these cities, allocating economic and fiscal incentives should prioritize plans, programs and projects aimed at fostering sustainable economic and social development.

Seeking to continue and expand the results of the project Amazon Olhos d'Água, on May 9, 2013, the municipality of Alta Floresta was awarded further support from the Amazon Fund, under the project Amazon Olhos d'Água – Phase 2, which aims to recover degraded areas, implement environmental regularization of rural properties with family farming, increase INCRA's certification of rural properties, and support the development of sustainable production development.

¹ The publication of the executive report covering the project Amazon Olhos d'Água is expected in 2014.

OLHOS D'ÁGUA DA AMAZÔNIA – FASE 2

AMAZON OLHOS D'ÁGUA – PHASE 2

PROJECT MANAGEMENT

Municipality of Alta Floresta, in the state of Mato Grosso
<www.olhosdaguadaamazonia.mt.gov.br>

TERRITORIAL SCOPE

Municipality of Alta Floresta, in the state of Mato Grosso

BENEFICIARY

Local population, especially family farmers in the municipality of Alta Floresta

OBJECTIVE

To provide support to recover degraded areas and develop sustainable production activities aimed at implementing environmental regularization for rural properties with family farming in the municipality of Alta Floresta

TOTAL COST OF THE PROJECT

R\$ 7,594,720.00
(US\$ 3,242,004.45)

AMAZON FUND SUPPORT

R\$ 7,182,970.00
(US\$ 3,066,238.22)

ESTIMATED COMPLETION DATE

30 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 10.22.2013	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
6.11.2013	9.5.2013	R\$ 603,000.00	R\$ 603,000.00 (US\$ 257,406.29)	8%



CONTEXTUALIZATION

Founded in 1976, the municipality of Alta Floresta is located in the extreme north of the state of Mato Grosso, some 830 km from the capital of Cuiabá. Its territory covers 8,976 km², with a population of 49,164 inhabitants, according to 2010 data from the Brazilian Institute of Geography and Statistics (IBGE).

Together with 15 surrounding municipalities it is an area named the Portal of the Amazon, which in its turn accounts for 12.3% of the area and 8.5% of the population in the state of Mato Grosso.

In 2012, it was removed from the list of municipalities that required priority efforts to prevent, monitor and control deforestation in the Amazon Biome, due to specific efforts aimed at enrolling rural properties on the Rural Environmental Registration (CAR) and at implementing a strategy to recover deforested and degraded areas.

THE PROJECT

With a 30-month deadline, the project Amazon Olhos d'Água – Phase 2 seeks to continue and expand the efforts to recover degraded area, focusing on environmental regularization of rural properties with family farming in the municipality of Alta Floresta. Phase 1, which required R\$ 2.8 million (US\$ 1.2 million) in investments, was entirely funded by the Amazon Fund.

Additionally, the second phase includes incentives to develop sustainable production initiatives, for example, beekeeping and fish farming, as well as production of organic vegetables and legumes.

The aim is to make it possible to consolidate a local model for sustainable development, aligning income generation with conservation of permanent preservation areas on rural properties.

INTERVENTION LOGIC

• Products and services

- » Holding workshops, lectures, field visits and meetings to train producers in agroforestry systems, grazing rotation, fish farming, beekeeping and integrated and sustainable agroecological production
- » Expanding the grazing rotation area by 200 hectares
- » Implementing Embrapa's good practices in three existing demonstrative units for raising beef cattle and improving grazing rotation practices to produce milk in 17 existing demonstrative units

- » Implementing the Water Guardian Program – Payment for Environmental Services
 - » Carrying out a communication plan to enroll rural producers in the project's activities
 - » Isolating and recovering 3,317 hectares of degraded permanent preservation areas
 - » Implementing fish farming, beekeeping and sustainable agroecological production
 - » Improving the municipal environmental monitoring system for deforestation, burn-offs and recovering degraded areas
 - » Geo-referencing 1,500 rural properties in the municipality of Alta Floresta to obtain environmental licensing
- **Specific aims**
 - » To expand managerial and technical capacities of producers in Alta Floresta to implement agroforestry systems, grazing rotation, fish farming, beekeeping and Pais
 - » To recover degraded and deforested areas and use them for economic purposes, as well as conservation in properties in the municipality of Alta Floresta
 - » To structure and modernize the Municipal Secretariat of the Environment in Alta Floresta for monitoring, control and environmental accountability
 - » To facilitate access for rural producers in Alta Floresta to environmental regularization of the properties
- **General aims (impacts)**
 - » To implement activities that maintain the forest standing and that are economically attractive in the municipality of Alta Floresta
 - » To implement municipal efforts in the city of Alta Floresta to adjust man-made activities to meet environmental legislation

PROJECT CONCLUDED

PRESERVAR PORTO DOS GAÚCHOS

PRESERVING PORTO DOS GAÚCHOS

PROJECT MANAGEMENT

Municipality of Porto dos Gaúchos, in the state of Mato Grosso
<www.portodosgauchos.mt.gov.br>

TERRITORIAL SCOPE

Municipality of Porto dos Gaúchos, in the state of Mato Grosso

BENEFICIARY

Local population

OBJECTIVE

To strengthen municipal environmental management by physically and operationally structuring the Municipal Secretariat of the Environment and Tourism (SEMATUR)

TOTAL COST OF THE PROJECT

R\$ 120,655.00
(US\$ 51,504.74)

AMAZON FUND SUPPORT

R\$ 120,655.00
(US\$ 51,504.74)

ESTIMATED COMPLETION DATE

12 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 12.26.2011	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
3.22.2011	8.12.2011	R\$ 120,655.00	R\$ 120,655.00 (US\$ 51,504.74)	100%



CONTEXTUALIZATION

Porto dos Gaúchos is located in the central-north of the state of Mato Grosso, some 620 km from the capital of Cuiabá. It covers an area of 6,994 km², with a population of approximately 5,500 inhabitants, according to the 2010 Census conducted by the Brazilian Institute of Geography and Statistics (IBGE), representing a demographic density of 0.72 inhab./km². The municipality was created by Law N^o. 1,945, of November 11, 1963, as part of a project for private colonization which began in the 1950s. Currently, there are close to 745 rural properties in the municipality, according to data from the Institute of Farming and Cattle-raising Defense in the State of Mato Grosso (IDEA-MT).

The environmental situation in Porto dos Gaúchos is similar to that in other cities in the central-north region of the state. Most are undergoing rapid growth in terms of occupation, due mainly to uncontrolled cattle-raising, farming and timber exploration. Thus, the municipality presents problems, such as degraded permanent preservation areas, burn-offs and illegal deforestation, and, in the beginning of 2008, it was placed on the list of priority municipalities, prepared by the Ministry of the Environment, for efforts to prevent and combat deforestation in the Legal Amazon.

THE PROJECT

The project in the municipality of Porto dos Gaúchos seeks to supply instruments for efforts such as environmental management, physically and operationally structuring the Municipal Secretariat of the Environment and Tourism (SEMATUR), equipping it to combat and control deforestation.

INTERVENTION LOGIC

- **Products and services**

- » Physically and operationally structuring the SEMATUR in Porto dos Gaúchos by purchasing equipment and goods

- **Specific aim**

- » To structure and modernize SEMATUR in Porto dos Gaúchos to conduct monitoring and environmental control within the city

- **General aim (impact)**

To implement municipal efforts in the city of Porto dos Gaúchos to help adjust man-made activities to meet environmental legislation

ACTIVITIES CONDUCTED

According to the intervention logic of the project, Amazon Fund support for the municipality of Porto dos Gaúchos seeks to supply basic instruments for efforts, such as environmental management, physically and operationally structuring the city's SEMATUR, by purchasing: (i) computer, multimedia and GPS equipment; (ii) furniture; and (iii) a pick-up and a boat, so as to prepare it to combat and control deforestation.

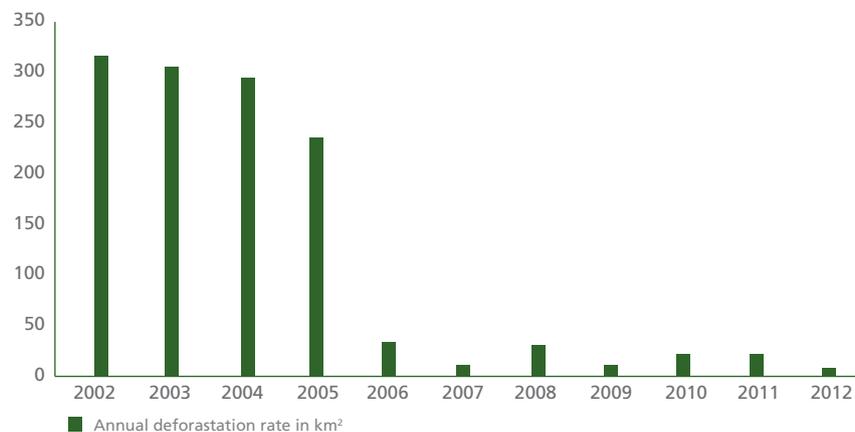
The furniture and electronic equipment are currently being used on a daily basis by SEMATUR. The 4x4 pick-up is used to inspect, raise rural owners' awareness about deforestation and burn-offs, help develop rural property registration, and lectures in communities etc. The boat is used in partnership with the State Secretariat of the Environment and the Military Police in the state of Mato Grosso to inspect rivers and surrounding areas. The multimedia projector and screen are used in lectures in the urban headquarters and rural communities in Porto dos Gaúchos.

Indicators of results and impacts

Among the project's indicators and impacts, measuring SEMATUR's growing annual budget has become customary. This budget has increased due to the use, in 2011, of support resources from the Amazon Fund. From 2010 to 2012, this increase was more than three-fold, indicating an expansion in terms of the secretariat's capacities.

Another indicator is the annual deforestation rate in the municipality of Porto dos Gaúchos, which is measured by the National Institute for Space Research (INPE) (Chart 2). In 2012, the deforested area in Porto dos Gaúchos accounted for 42% of its total area.

CHART 2: ANNUAL DEFORESTATION RATE IN PORTO DOS GAÚCHOS



Source: INPE.

Chart 2 shows a substantial drop in deforestation as of 2006, as a result of public policies to combat deforestation implemented as of 2004. In the year immediately following support from the Amazon Fund, that is, in 2010, annual deforestation was 21.7 km². In 2012, deforestation measured by the INPE was 7.4 km². While favorable, this shows that it was not solely due to the support from the Amazon Fund.

JACUNDÁ MUNICÍPIO DE ECONOMIA VERDE

JACUNDÁ, GREEN MUNICIPALITY ECONOMY

PROJECT MANAGEMENT

Municipality of Jacundá, in the state of Pará
<www.prefeituradejacunda.pa.gov.br/site>

TERRITORIAL SCOPE

Municipality of Jacundá, in the state of Pará

BENEFICIARY

Local population, especially rural producers

OBJECTIVE

To provide support to strengthen municipal environmental management by: (i) physically and operationally structuring the Municipal Secretariat of the Environment and Tourism (SEMATUR); (ii) expanding the capacity and production of the municipal nursery; and (iii) designing a study to characterize the municipal territory

TOTAL COST OF THE PROJECT

R\$ 820,860.00
(US\$ 350,405.52)

AMAZON FUND SUPPORT

R\$ 792,200.00
(US\$ 338,171.25)

ESTIMATED COMPLETION DATE

18 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
11.29.2011	8.31.2012	-	0%



CONTEXTUALIZATION

The municipality of Jacundá is located in the meso-region of Jacundá and the micro-region of Tucuruí, in the state of Pará, approximately 400 km from the capital of Belém. It covers an area of 2,008 km² and has a population of approximately 51,000 inhabitants, according to 2010 estimates made by the Brazilian Institute of Geography and Statistics (IBGE), accounting for a demographic density of 26 inhab./km².

The municipality is not on the list of priority municipalities, prepared by the Ministry of the Environment, for efforts to prevent and combat deforestation in the Legal Amazon. Nevertheless, it is located adjacent to an area classified as the largest focus of deforestation in the Amazon, known as the deforestation belt.

The main economic activities in the municipality are concentrated in extensive cattle-raising and vegetal extraction. Besides these activities, production of fruit, legumes and grains, both in permanent and temporary plantations, are also important, according to 2009's Municipal Farming Production, a study conducted by the IBGE.

According to the Municipal Human Development index (HDI-M) on Brazilian municipalities, which was put together by the United Nations Development Program (UNDP) in 2000, the municipality of Jacundá has an HDI of 0.691, equivalent to an average HDI, reflecting a municipality with average human development.

THE PROJECT

The municipality currently faces a series of environmental problems resulting from several socio-economic activities that are developed on its territory as well as uncontrolled urban occupation. To tackle these issues, this project seeks to strengthen municipal environmental management by physically and operationally structuring the Municipal Secretariat of the Environment and Tourism (SEMATUR), setting up an economic-environmental databank, and expanding the municipal nursery.

Physically and operationally structuring SEMATUR will entail remodeling and expanding its headquarters; purchasing operational material, support material and IT equipment for general use at the secretariat and in efforts such as monitoring, inspection and environmental licensing; training people for monitoring and environmental licensing; and designing a Municipal Environmental Management Plan.

Setting up the economic-environmental databank seeks to help the municipality, through information on its territorial characteristics, to strategically plan efforts to implement and apply urban planning, to recover degraded areas, among other procedures, in order to expand and maintain its green areas. With this, the databank design will include studies to characterize the municipal territory – the initial phase of Ecological-Economic Zoning (ZEE) – and training human resources.

INTERVENTION LOGIC

- **Products and services**

- » Expanding the municipal nursery's capacity to produce saplings
- » Physically structuring SEMATUR
- » Designing the Municipal Environmental Management Plan, the Monitoring Program for Environmental Quality, and the Procedural Manuals for Licensing and Inspection
- » Technical training for SEMATUR staff
- » Designing the initial municipal zoning phase (ZEE)

- **Specific aims**

- » To recover and use deforested and degraded areas for economic purposes as well as ecological conservation
- » To structure and modernize SEMATUR's municipal headquarters in Jacundá
- » To define territorial organization by implementing ZEE in the municipality of Jacundá

- **General aim (impacts)**

- » To implement activities that maintain the forest standing and that are economically attractive in the municipality of Jacundá
- » To implement SEMATUR's efforts in Jacundá to adjust man-made activities to meet environmental legislation
- » To implement territorial planning in the municipality of Jacundá

ANAPU RUMO AO SELO VERDE

ANAPU – TOWARDS THE GREEN SEAL

PROJECT MANAGEMENT

Municipality of Anapu, in the state of Pará

TERRITORIAL SCOPE

Municipality of Anapu, in the state of Pará

BENEFICIARY

Population in the municipality of Anapu (approximately 5,000 families)

OBJECTIVE

To structure and modernize the Municipal Secretariat of the Environment and Tourism (SEMMAT) in Anapu, so the city can receive the Green Municipality seal

TOTAL COST OF THE PROJECT

R\$ 497,270.00
(US\$ 212,272.68)

AMAZON FUND SUPPORT

R\$ 431,940.00
(US\$ 184,384.86)

ESTIMATED COMPLETION DATE

24 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
11.29.2011	3.23.2012	-	0%



CONTEXTUALIZATION

The municipality of Anapu is located in the southeastern meso-region of the state of Pará and in the micro-region known as Altamira. During the occupation of the Amazon, it was created through the National Integration Plan, instituted in 1970, and with the construction of the Marabá-Altamira section of the Transamazon highway. The main highway access to the municipality is along a non-asphalted road from the city of Altamira – a distance of 133 km.

The municipality was formally created by the State Law N°. 5,929, of December 28, 1995, despite having been dismembered from the municipalities of Pacajá and Senador José Porfírio. It received the status of municipality on January 1, 1977.

Anapu is located 374 km from Belém. It covers an area of 11,895 km², with a population of 20,543 inhabitants, according to the 2010 Census conducted by the Brazilian Institute of Geography and Statistics (IBGE), representing a demographic density of 1.73 inhab./km². The Municipal Human Development Index (HDI-M), measured in 2000 by the United Nations' Development Program (UNDP), registered Anapu as having 0.645, which is an average HDI.

In 2009, the municipality produced 161,000 m³ of timber logs, valued at R\$ 17,655,000.00 (US\$ 10.1 million), according to the IBGE, which indicates the importance this activity in generating local income. The cattle-raising sector is also quite important in Anapu, which is made evident by the 178,000 head of cattle in the municipality, also according to the IBGE's figures.

THE PROJECT

The project aims to strengthen the Municipal Secretariat of the Environment and Tourism (SEMMAT) to better apply municipal policy to monitor, follow up on, control, plan, inspect and license environmental activities. In this vein, the City Council in Anapu will physically and operationally structure SEMMAT, by constructing its own headquarters, purchasing operational and support equipment, and training its staff members.

Currently, SEMMAT operates out of rented house. The secretariat's headquarters will be built on land owned by the city.

Training SEMMAT's technical staff entails holding courses on the following topics: georeferencing; management and control; legislation and inspection; environmental education; as well as project assessment and follow-up.

As the municipality is concerned about developing activities that do not increase deforestation, the project includes training activities to carry out sustainable forest management projects, as well as offering technical

assistance to producers and seminars to encourage: reforestation of deforested areas; plantations without the need to burn off; sustainable community forest management.

Efforts are also aimed at constructing environmental legislation within the municipal scope, specifically the Municipal Environmental Plan.

INTERVENTION LOGIC

- **Products and services**

- » Physically and operationally structuring SEMMAT including building the secretariat's headquarters and purchasing equipment, aimed at improving the city's environmental management as well as monitoring and controlling deforestation
- » Technical training in geo-processing and environmental management offered to SEMMAT's staff members and partner entities
- » Participative design of municipal environmental legislation
- » Training in sustainable forest management offered to rural producers and SEMMAT staff members, as well as offering assistance to rural producers with sustainable forest management

- **Specific aim**

- » To structure and modernize the SEMMAT Office in the municipality of Anapu so the city can receive the Green Municipality seal

- **General aim (impact)**

- » To implement SEMMAT efforts in Anapu to adjust man-made activities to meet environmental legislation

NASCENTES DO BURITI

BURITI SPRINGS

PROJECT MANAGEMENT

Municipality of Carlinda, in the state of Mato Grosso
<www.carlinda.mt.gov.br>

TERRITORIAL SCOPE

Municipality of Carlinda, in the state of Mato Grosso

BENEFICIARY

Local population, especially rural producers

OBJECTIVE

To provide support to strengthen municipal environment management, by physically structuring the Municipal Secretariat of the Environment and Tourism (SEMMAAT); and efforts to recover 1,722 hectares of permanent preservation areas in areas surrounding the springs

TOTAL COST OF THE PROJECT

R\$ 1,888,581.50
(US\$ 806,190.31)

AMAZON FUND SUPPORT

R\$ 1,870,581.50
(US\$ 798,506.54)

ESTIMATED COMPLETION DATE

48 months
(from the date the contract signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 11.25.2011	2 ND DISBURSEMENT ON 1.10.2012	3 RD DISBURSEMENT ON 8.20.2012
8.2.2011	9.6.2011	R\$ 1,160,297.40	R\$ 97,800.00	R\$ 34,000.00
4 TH DISBURSEMENT ON 11.12.2012	5 TH DISBURSEMENT ON 5.23.2013	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT	
R\$ 75,000.00	R\$ 139,707.50	R\$ 1,506,804.90 (US\$ 643,219.00)	81%	



CONTEXTUALIZATION

Carlinda covers an area of 2,157 km², with a population of 10,990 inhabitants, according to 2010 Census conducted by the Brazilian Institute of Geography and Statistics (IBGE). It is located in the extreme north of the state of Mato Grosso, close to the state of Pará, in the area that is affected by the BR-163 highway (Cuiabá-Santarém).

The municipality borders on three rivers: Teles Pires, Quatro Pontes and Ariranha. Currently, the main economic activity is concentrated in the services sector, followed by farming and cattle-raising (dairy cattle, small coffee and cocoa plantations) and, then, industry. The city has approximately 1,800 rural properties, of which 90% hold land titles, according to estimates from the Municipal Secretariat of the Environment and Tourism (SEMMAT).

Carlinda, together with 15 surrounding municipalities, is part of the so-called Portal of the Amazon, which in its turn is part of federal government's program Territories for Citizenship. The main aim of the program is to foster economic development and universalize basic citizenship programs using a strategy aimed at sustainable territorial development. The Portal of the Amazon covers an area of 111,167.50 km², with a population of 260,000 inhabitants, comprising 16 municipalities: Alta Floresta, Apicás, Carlinda, Colíder, Guarantã do Norte, Marcelândia, Matupá, Nova Bandeirantes, Nova Canaã do Norte, Nova Guarita, Nova Monte Verde, Nova Santa Helena, Novo Mundo, Paranaíta, Peixoto de Azevedo and Terra Nova do Norte.

THE PROJECT

The project in the municipality of Carlinda focuses on recovering permanent preservation areas (APPs) in five sub-basins located in the surrounding areas of the city council's headquarters. Of these, the most important has a spring to capture water for the city's water supply. The remaining four sub-basins were chosen because they were the most degraded, according to a diagnosis provided by Agenda 21 Local. All told, these five sub-basins stretch over approximately 450 rural properties, which is equivalent to 25% of the total 1,800 rural properties estimated to exist in the municipal area. The total area of the five sub-basins is 2,668 hectares, of which 1,722 hectares are degraded APPs. The project aims to recover said areas, as well as the 946 hectares remaining in the preserved APPs.

Carlinda's city council will increase the production of its nursery, located on city land, by purchasing a selection of equipment and hiring two nursery workers to work on the project. Besides this, the project seeks to strengthen municipal environmental management by physically structuring SEMMAT.

INTERVENTION LOGIC

- **Products and services**

- » Recovering 1,722 hectares of degraded areas
- » Expanding the production capacity of the municipal nursery
- » Physically and operationally structuring SEMMAT

- **Specific aims**

- » To recover deforested and degraded areas to use them for economic purposes as well as ecological conservation in the municipality of Carlinda
- » To structure and modernize the SEMMAT in Carlinda

- **General aims (impacts)**

- » To implement activities that maintain the forest standing and that are economically attractive in the municipality of Carlinda
- » To implement SEMMAT efforts in Carlinda to adjust man-made activities to meet environmental legislation

ACTIVITIES CONDUCTED

Materials and equipment were purchased to physically and operationally structure the SEMMAT in Carlinda, as well as re-structuring the municipal nursery, increasing its production capacity from 20,000 saplings to 300,000 per year.

Three municipal civil servants were trained and 300,000 saplings were produced. Some 227,600 saplings were distributed in the following beneficiary communities throughout Carlinda: Santa Paz, Monte Sinai, Emaús, Nazaré, Rio Jordão, Nova Palestina, Monte das Oliveiras, Jerusalém, Belém, Terra Prometida, Caná, Bom Samaritano and Galileia.

Workshops to raise awareness were held, with the participation of 1,768 individuals to preserve and recover the permanent preservation areas.

As a result of the project's efforts, some 413 hectares area being reforested, with technical assistance offered and visits made to 213 properties registered in the project, involving guidance on how best to plan the saplings, controlling leaf-cutter ants, managing weeds, as well as guidance on isolating an area in compliance with environmental legislation in effect in the state of Mato Grosso.

A seminar was held on preventing fires, alternatives to using fire as a farming tool, periods for bans on fire and controlled burn-offs, as well as meetings in the areas of Boa Sorte, Caná and Nazaré on this issue.

RECUPERA MARCELÂNDIA

RECOVERING MARCELÂNDIA

PROJECT MANAGEMENT

Municipality of Marcelândia, in the state of Mato Grosso
<www.marcelandia.mt.gov.br>

TERRITORIAL SCOPE

Municipality of Marcelândia, in the state of Mato Grosso

BENEFICIARY

Local population, especially rural producers

OBJECTIVE

To provide support to strengthen municipal environmental management of degraded areas surrounding the 50 springs in the sub-basins of the Manissauá-Missú River, located close to the municipal urban areas

TOTAL COST OF THE PROJECT

R\$ 686,630.30
(US\$ 293,106.06)

AMAZON FUND SUPPORT

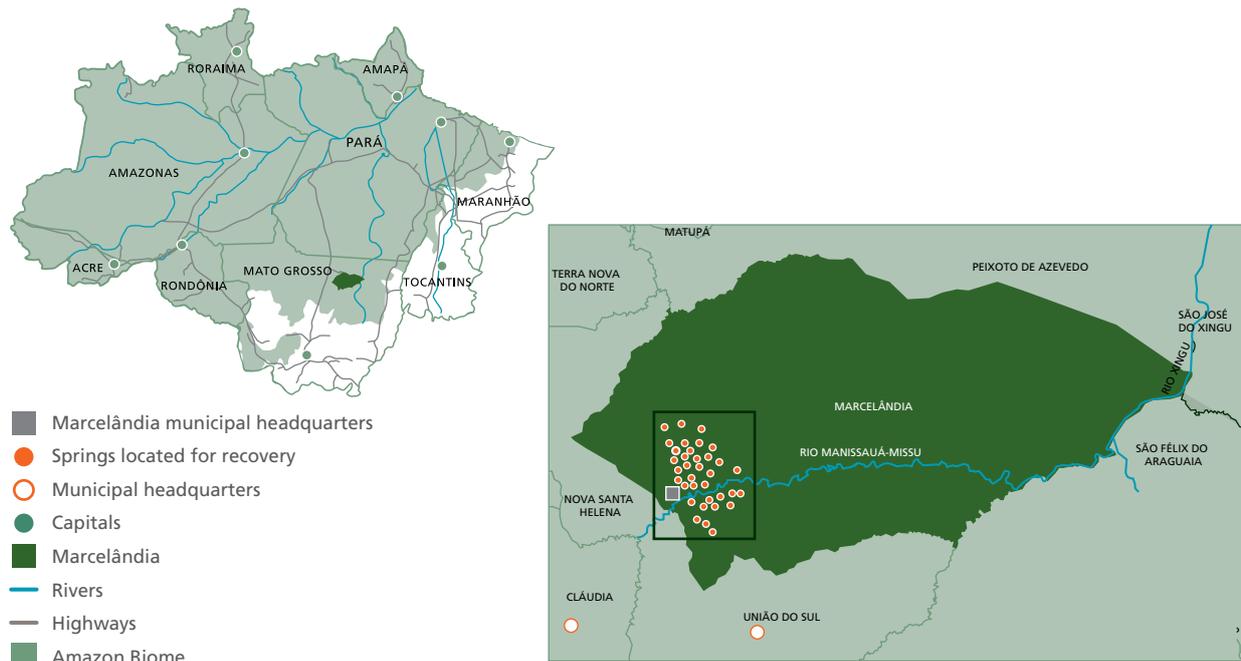
R\$ 669,126.00
(US\$ 285,633.90)

ESTIMATED COMPLETION DATE

36 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 7.16.2013	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
11.23.2010	5.24.2011	R\$ 181,980.00	R\$ 181,980.00 (US\$ 77,682.91)	27%



CONTEXTUALIZATION

The municipality of Marcelândia is located in the north of the state of Mato Grosso, close to the BR-163 highway (Cuiabá-Santarém), and is part of the Portal of the Amazon. It has mainly large and medium-sized properties (84% of the total area), while the remainder is made up of family farms (3%), settlements (1%) and indigenous land (12%).

Marcelândia's environmental situation is similar to that in other municipalities in the north of the state, which are undergoing rapid expansion due to occupation. This is because of uncontrolled cattle-raising activities and timber exploration. Nevertheless, deforestation, over the last few years, is gradually falling.

THE PROJECT

The project to recover the municipality of Marcelândia focuses on two efforts: strengthening the Municipal Secretariat of the Environment and Tourism (SEMMAT), and recovering the riverside forest surrounding the 50 springs in the sub-basin of the Manissauá-Missú River, by planting seeds and saplings which will be produced in the municipal nursery.

In the first effort, SEMMAT will be equipped and staff will receive training in geotechnological tools, which will enable computerized processing of georeferenced data, that is, computer programs will align mapping data (maps, building plans, topographical maps etc.) with other associated information (such as production activities, natural resources and population numbers).

The second effort will tackle the problem of degraded and deforested areas, especially those near the springs. According to data presented by SEMMAT, of the 1,300 springs in the municipality, close to 370 (28%) have been degraded.

Environmental diagnosis will be conducted in the areas to be recovered, and the local community will be trained. A demonstrative environmental recovery unit will be implemented on one of the properties, so the model can be copied on other rural properties throughout the municipality.

INTERVENTION LOGIC

• Products and services

- » Training rural producers in reforestation techniques, implementation of a demonstrative agroforestry system and supply of inputs to recover degraded riverbank forests near 50 springs in the sub-basins of the Manissauá-Missú River in Marcelândia

- » Physically structuring SEMMAT
 - » Training SEMMAT staff members in Marcelândia with geotechnological tools to better control, inspect and prevent deforestation.
- **Specific aims**
 - » To recover riverbank forests near 50 springs in the sub-basins of the Manissauá-Missú River in Marcelândia, guaranteeing the continuous water supply in the region, and to help rural properties benefiting from the project to meet environmental legislation
 - » To structure and modernize SEMMAT in Marcelândia
 - **General aims (impacts)**
 - » To develop sustainable production activities in the municipality of Marcelândia
 - » To implement SEMMAT efforts in Marcelândia to adjust man-made activities to meet environmental legislation

ACTIVITIES CONDUCTED

Using satellite images, some 50 springs were located for recovery, and, in loco, environmental diagnosis was conducted. Some 30 requests made by rural property owners to adhere to the project were protocolled by the Marcelândia city council.

Native seed species were purchased, and saplings are being produced in the municipal nursery and will be distributed to rural producers. Efforts to environmentally recover the springs are underway.

Some of the equipment to structure SEMMAT in Marcelândia has been purchased, and local civil servants have been trained to use geotechnological tools.

PORTO DE MOZ SUSTENTÁVEL

SUSTAINABLE PORTO DE MOZ

PROJECT MANAGEMENT

Municipality of Porto de Moz, in the state of Pará
<www.portodemoz.pa.gov.br>

TERRITORIAL SCOPE

Municipality of Porto de Moz, in the state of Pará

BENEFICIARY

Population in Porto de Moz (34,756 inhabitants, according to the 2010 Census conducted by the Brazilian Institute of Geography and Statistics (IBGE); approximately 8,700 families)

OBJECTIVE

To provide support to strengthen municipal environmental management in Porto de Moz by: (i) physically and operationally structuring the Municipal Secretariat of the Environment (SEMMA); and (ii) designing a study – initial phase (diagnosis) of Economic-Ecological Zoning (ZEE) – to characterize the part of the territory surrounding the Extraction Reserve (RESEX), known as Green Forever (Verde para Sempre)

TOTAL COST OF THE PROJECT

R\$ 345,401.00
(US\$ 147,443.43)

AMAZON FUND SUPPORT

R\$ 337,206.46
(US\$ 143,945.38)

ESTIMATED COMPLETION DATE

18 months
(from the date the contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
8.7.2012	-	-	0%



CONTEXTUALIZATION

The municipality of Porto de Moz is located in the Lower Xingu region, in the meso-region known as the Lower Amazon, in the state of Pará, some 420 km from the capital of Belém. Access to Porto de Moz is mainly possible via the waterways, and Altamira is the most important municipality nearby.

According to data from the 2010 Census conducted by the Brazilian Institute of Geography and Statistics (IBGE), the municipality covers an area of 17,423 km² and a population of 34,756 inhabitants, therefore, a demographic density of 1.99 inhab./km². Close to 80% of the municipal territory belongs to the Extraction Reserve (RESEX) known as Green Forever (Verde para Sempre).

Currently, the population in Porto de Moz comprises, mostly, traditional communities living along the rivers.

The municipality's economic activities are concentrated in two areas: cattle-raising and farming. Most of the population lives in the rural areas, and the economy is based on family production (small plantations of cassava root, rice, corn, beans, vegetables, bananas, coconuts, coffee), timber exploration and other forest products (local consumption and small trade), as well as fishing.

The GDP in Porto de Moz, at current prices, for the year 2009 was R\$ 76.143 million, according to data from IBGE; the GDP per capita was R\$ 2,710.58. According to the Municipal Human Development Index (HDI-M) for Brazilian municipalities, measured in 2000 by the UN's Development Program (UNDP), the municipality of Porto de Moz has an HDI-M of 0.650, which places it as a municipality with medium human development.

THE PROJECT

As it is located in the Xingu Integration Region – one of the 12 integration regions in the state of Pará – where large-scale infrastructure are to be implemented, the municipality has become a priority in designing plans to maximize benefits generated by undertakings and to mitigate possible negative outcomes, especially those of a social and environmental nature.

In this vein, the project will contribute to strengthening environmental management in Porto de Moz through investments to physically and operationally structure the Municipal Secretariat of the Environment (SEMMA), including training the technical team to intensify environmental inspection and monitoring and to design a study – initial phase (diagnosis) of Economic-Ecological Zoning (ZEE) – to characterize the part of the territory surrounding the Extraction Reserve (RESEX) known as Green Forever (Verde para Sempre).

INTERVENTION LOGIC

- **Products and services**

- » Construction of the headquarters and physically and operationally structuring the Municipal Secretariat of the Environment and Tourism (SEMMAT)
- » Technical training for SEMMAT staff members
- » Designing the planning and diagnosis of ZEE in the municipality, except for the Green Forever RESEX (Verde para Sempre)

- **Specific aims**

- » To structure and modernize SEMMAT in the municipality of Porto de Moz
- » To begin the initial stages of ZEE to organize the territory in the municipality of Porto de Moz

- **General aims (impacts)**

- » To implement efforts of the SEMMAT in Porto de Moz to adjust man-made activities to meet environmental legislation
- » To implement territorial planning in the municipality of Porto de Moz

MONITORAMENTO DA COBERTURA FLORESTAL NA AMAZÔNIA REGIONAL

MONITORING FOREST COVERAGE
IN THE AMAZON REGION

PROJECT MANAGEMENT

Amazon Cooperation Treaty Organization (ACTO) <www.otca.info/portal>

TERRITORIAL SCOPE

Amazon Region

BENEFICIARY

ACTO member countries: Bolivia, Brazil, Colombia, Ecuador, Guiana, Peru, Suriname and Venezuela

OBJECTIVE

To help develop the capacity to monitor deforestation, changes in the use of land and forest in the ACTO's member countries

TOTAL COST

OF THE PROJECT

R\$ 27,670,630.00
(US\$ 11,811,930.62)

AMAZON FUND SUPPORT

R\$ 23,693,641.00
(US\$ 10,114,249.06)

ESTIMATED COMPLETION DATE

60 months
(from the date the
contract was signed)

PROGRESS OF THE PROJECT

DATE APPROVED	DATE AWARDED	1 ST DISBURSEMENT ON 12.17.2013	TOTAL AMOUNT DISBURSED	TOTAL AMOUNT DISBURSED IN RELATION TO AMAZON FUND'S SUPPORT
5.3.2013	10.3.2013	R\$ 4,700,000.00	R\$ 4,700,000.00 (US\$ 2,006,317.67)	20%



CONTEXTUALIZATION

Using satellites to monitor the environment is of great use when combating deforestation and environmental degradation, generating data that can help implement public policies to combat deforestation and foster more social participation and control.

The Amazon Cooperation Treaty Organization (ACTO) is an intergovernmental organization comprising eight countries, which, together, cover 99% of the Amazon Biome: Bolivia, Brazil, Colombia, Ecuador, Guiana, Peru, Suriname and Venezuela. It is an institution that is responsible for implementing the Amazon Cooperation Treaty (TCA), signed in 1978, and operates as a permanent cooperation forum, exchange and know-how, under the principle of reducing regional disparity, helping implement programs and projects that foster sustainable development and regional cooperation to improve the standards of living for Amazon inhabitants.

THE PROJECT

With a 60-month deadline, the project Monitoring Forest Coverage in Regional Amazon aims to help develop the capacity to monitor deforestation, changes in the use of land and forest in ACTO member countries, offering information on the extent and quality of forest coverage, pre-requisites for monitoring and controlling deforestation.

The project – which began in 2011, with resources from the German Agency for International Technical Cooperation (GIZ) and from the International Tropical Timber Organization (ITTO) – will receive support from the Amazon Fund in the following initiatives: to strengthen observation rooms by offering support to purchase physical infrastructure and to hire staff; to structure research rooms; to offer training in monitoring technology for forest coverage; and to design national monitoring plans.

Efforts also focus on regional cooperation to combat illegal deforestation and to exchange experiences related to public policy instruments aimed at reducing deforestation rates.

The project has the support of the Ministry of Foreign Affairs (MRE), and the Ministry of the Environment is involved as the National Coordinating Institution, by means of the Policy Department to Control Deforestation. The National Institute for Space Research (INPE) is also involved in the project, transferring its monitoring technology for forest coverage and training people in other ACTO member countries.

INTERVENTION LOGIC

- **Products and services**

- » Strengthening the operational capacity of monitoring rooms used against deforestation and forest degradation
- » Fostering cooperation between countries in efforts to combat illegal deforestation
- » Designing national plans to monitor deforestation and forest degradation
- » Structuring and running research rooms in member countries
- » Developing new methodology and technology, as well as producing and distributing maps to monitor deforestation and forest degradation in the region
- » Training in monitoring technology developed by the Inpe in the member countries

- **Specific aims**

- » To strengthen and enhance infrastructure, institutional arrangements and tools to monitor deforestation and forest degradation in the ACTO member countries
- » To produce and disseminate know-how and technology aimed at monitoring the Amazon Region

- **General aims (impacts)**

- » To implement governmental efforts to contribute to recovery, conservation and the sustainable use of the Amazon Biome
- » To implement science, technology and innovation activities that contribute to recovery, conservation and the sustainable use of the Amazon Biome

ANNEX 1

DECREE Nº. 6,527, AUGUST 1, 2008

PRESIDENCY OF THE REPUBLIC PRESIDENT'S CHIEF OF STAFF OFFICE

Deputy Chief of Legal Affairs

Decree Nº. 6,527, August 1, 2008

This Decree provides for the establishment of the Amazon Fund by the Brazilian Development Bank (BNDES).

THE PRESIDENT OF THE REPUBLIC OF BRAZIL, employing the powers attributed by Article 84, Item VI, Subitem "a", and in view of the provisions in the preamble of Article 225, and in Paragraph 4, both from the Constitution, DECLARES:

Article 1 – The Brazilian Development Bank (BNDES) is authorized to allocate the amounts of donations received in cash, acquired through a specific account called the Amazon Fund, to conduct non-reimbursable investments in efforts to prevent, monitor, and combat deforestation and to foster conservation and sustainable use in the Amazon biome, covering the following areas: **(As worded in Decree Nº. 6,565, 2008)**

- I. management of public forests and protected areas;
- II. environmental control, monitoring and inspection;
- III. sustainable forest management;
- IV. economic activities developed from the sustainable use of the forest;
- V. Ecological and Economic Zoning, land-use planning and land-title regularization;
- VI. conservation and sustainable use of biodiversity; and
- VII. rrecovery of deforested areas.

Paragraph 1 – Up to twenty percent of the resources in the Amazon Fund may be used in the development of systems to monitor and control deforestation in other Brazilian biomes and other tropical countries.

Paragraph 2 – The efforts addressed in the preamble shall comply with the guidelines of the Sustainable Amazon Plan (PAS) and the Plan of Prevention and Control of Deforestation in Legal Amazon (PPCDAM), except as provided for in Paragraph 1.

Paragraph 3 – The BNDES shall separate an amount equivalent to three percent of the amount of donations referred to in the preamble to cover its operating costs and expenses related to the Amazon Fund, including expenses related to the operation of the Technical Committee of the Amazon Fund (CTFA), the Guidance Steering Committee of the Amazon Fund (COFA), and the costs for contracting auditing services. (As worded in Decree Nº. 6,565, 2008).

Paragraph 4 – The Amazon Fund's resources are, in addition to the donations referred to in the preamble, the product of financial investments of amounts not yet disbursed.

Paragraph 5 – The BNDES shall represent the Amazon Fund, judicially and extrajudicially

Article 2 – The BNDES shall receive donations and issue certificates acknowledging contributions made by donators to the Amazon Fund.

Paragraph 1 – The certificates issued shall contain the following information:

- I. name of the donator;
- II. amount donated;
- III. date of contribution;
- IV. equivalent value in tons of carbon; and
- V. year emission were reduced.

Paragraph 2 – The certificates shall be nominal, non-transferable, and shall not generate rights or claims of any nature.

Paragraph 3 – The issued certificates can be found on the World Wide Web – the Internet.

Paragraph 4 – To issue the certificate addressed in the preamble, the Ministry of the Environment shall, annually, set the limits for fundraising.

Paragraph 5 – O The Ministry of the Environment shall regulate the methodology for calculating the limit on fundraising addressed in Paragraph 4, taking into account the following criteria::

- I. effective reduction in Carbon Emissions Arising from Deforestation (ED), attested by the CTFA; and
- II. equivalent contribution value, per reduced ton of ED, expressed in Brazilian reais per ton of carbon.

Article 3 – The Amazon Fund shall have a Technical Committee (CTFA) to certify the ED calculated by the Ministry of the Environment, and, to do so, it shall evaluate:

- I. the methodology to calculate the area of deforestation; and
- II. the amount of carbon per hectare used in calculating emissions.

Sole Paragraph. The CTFA shall meet once a year and shall consist of six experts of unblemished reputation and renowned scientific-technical knowledge, appointed by the Ministry of the Environment, after consultation with the Brazilian Forum on Climate Change, for a term of three years, renewable once for the same period.

Article 4 – The Amazon Fund shall have a Guidance Committee (COFA) comprising the following segments, represented as:

- I. Federal Government – a representative from each of the following agencies and entitie:
 - a. Ministry of the Environment;
 - b. Ministry of Development, Industry, and Foreign Trade;
 - c. Ministry of Foreign Affairs;
 - d. Ministry of Agriculture, Cattle-Raising, and Supply;
 - e. Ministry of Agrarian Development;
 - f. Ministry of Science and Technology;
 - g. Office of the President’s Chief of Staff;
 - h. Secretariat for Strategic Affairs of the Presidency; and
 - i. The Brazilian Development Bank (BNDES);
- II. state governments - a representative from each of the governments of the Legal Amazon States that have a state plan for preventing and combating deforestation; and
- III. civil society - one representative from each of the following organizations:
 - a. Brazilian Forum of NGOs and Social Movements for the Environment and Development (FBOMS);
 - b. Coordination of Indigenous Organizations of the Brazilian Amazon (COIAB);
 - c. National Confederation of Industry (CNI);
 - d. National Forum of Forest-Based Activities (FNABF);
 - e. National Confederation of Agricultural Workers (CONTAG); and
 - f. Brazilian Society for the Advancement of Science (SBPC).

Paragraph 1 – COFA members shall be nominated by heads of agencies and entities referred to in items I to III of the preamble and appointed by the president of the BNDES, for a term of two years, renewable once for the same period.

Paragraph 2 – The COFA, which shall ordinarily meet once every six months and extraordinarily at any time when called by its President, shall ensure the commitment of the Amazon Fund's initiatives to PAS and PPCDAM, establishing:

- I. guidelines and criteria for allocating resources; and
- II. COFA internal regulations.

Paragraph 3 – The COFA shall be chaired by a representative of the federal government agencies referred to in item I of the preamble, with a term of two years, of which the first term shall be exercised by a representative of the Ministry of the Environment.

Paragraph 4 – The COFA deliberations should be adopted by consensus among the segments defined in items I to III of the preamble.

Paragraph 5 – The COFA Executive Secretary shall be managed by the BNDES.

Article 5 – Participation in the CTFA and the COFA shall be considered a service of relevant public interest and shall not entail any remuneration of any nature.

Article 6 – The BNDES shall present to the COFA, for approval, biannual information on the allocation of resources and the Amazon Fund's annual report.

Article 7 – The BNDES shall annually contract external auditing services to verify the correct allocation of the resources referred to in the preamble of Article 1.

Article 8 – This Decree shall enter into force on the date of its publication.

Brasília, August 1, 2008; 187th of the Independency and 120th of the Republic.

LUIZ INÁCIO LULA DA SILVA

MIGUEL JORGE

CARLOS MINC

ANNEX 2

COFA'S COMPOSITION IN 2013

Federal Government

MINISTRY OF THE ENVIRONMENT

Izabella Mônica Vieira Teixeira
Carlos Augusto Klink

MINISTRY OF DEVELOPMENT, INDUSTRY AND FOREIGN TRADE

Beatriz Martins Carneiro
Demétrio Florentino de Toledo Filho

MINISTRY OF FOREIGN AFFAIRS

Felipe Rodrigues Gomes Ferreira
Thiago Medeiros da Cunha Cavalcante

MINISTRY OF AGRICULTURE, LIVESTOCK AND SUPPLY

Caio Tibério Dornelles da Rocha
Erikson Camargo Chadoha

MINISTRY OF AGRARIAN DEVELOPMENT

João Luiz Guadagnin
Carlos Eduardo Portela Sturm

MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION

Carlos Afonso Nobre
Andréa Ferreira Nunes Portela

CHIEF OF STAFF OF THE PRESIDENCY OF THE REPUBLIC

Leiza Martins Mackay Dubugras
Anael Aymoré Jacob

SECRETARIAT FOR STRATEGIC AFFAIRS OF THE PRESIDENCY OF THE REPUBLIC

Sergio Margulis
Natalie Unterstell

THE BRAZILIAN DEVELOPMENT BANK

Guilherme Narciso de Lacerda
Gabriel Rangel Visconti

Amazon States

ACRE

Eufran Ferreira do Amaral
Fábio Vaz de Lima

AMAPÁ

Grayton Tavares Toledo
Fabrício de Paula Gomes

AMAZONAS

Kamila Botelho do Amaral
Alexsandra de Souza Santiago

MARANHÃO

Carlos Victor Guterres Mendes
João Bernardo de Azevedo Bringel

MATO GROSSO

José Esteves de Lacerda Filho
Heitor David Medeiros

PARÁ

José Alberto da Silva Colares
Justiniano Queiroz Netto

RONDÔNIA

Nanci Maria Rodrigues da Silva
Francisco de Sales Oliveira dos Santos

RORAIMA

The state did not appointed representatives in the period.

TOCANTINS

Alan Kardec Martins Barbiero
Marli Teresinha dos Santos

Civil Society**NATIONAL CONFEDERATION OF INDUSTRY (CNI)**

Sérgio de Freitas Monforte
Luiz Augusto Nogueira Moura

COORDINATION OF INDIGENOUS ORGANIZATIONS OF THE BRAZILIAN AMAZON (COIAB)

Lúcio Paiva Flores
Joênia Batista de Carvalho

NATIONAL CONFEDERATION OF AGRICULTURAL WORKERS (CONTAG)

Antoninho Rovaris
Alessandra da Costa Lunas

BRAZILIAN FORUM OF NGOS AND SOCIAL MOVEMENTS FOR THE ENVIRONMENT AND DEVELOPMENT (FBOMS)

Jorge Pinto da Silva
Mauro José Capóssole Armelin

BRAZILIAN FORUM OF FOREST-BASED ACTIVITIES (FNABF)

Ramiro Azambuja da Silva
Geraldo Bento

BRAZILIAN SOCIETY FOR THE ADVANCEMENT OF SCIENCE (SBPC)

Helena Bonciani Nader
Ennio Candotti

DURING THE YEAR 2013, THE FOLLOWING MEMBERS ALSO PLAYED A ROLE:**Federal Government****MINISTRY OF DEVELOPMENT, INDUSTRY AND FOREIGN TRADE**

Evandro Soares
Deputy until 8.22.2013

MINISTRY OF SCIENCE, TECHNOLOGY AND INNOVATION

Mercedes Maria da Cunha Bustamante
Deputy until 12.17.2013

SECRETARIAT FOR STRATEGIC AFFAIRS OF THE PRESIDENCY OF THE REPUBLIC**Arnaldo Carneiro Filho**

Member until 12.17.2013

Fernando Castanheira Neto

Deputy until 12.17.2013

THE BRAZILIAN DEVELOPMENT BANK**Cláudia Soares Costa**

Deputy until 7.8.2013

Amazon States**AMAZONAS****João Henrique Talocchi**

Member until 12.17.2013

MATO GROSSO**Vicente Falcão de Arruda Filho**

Member until 3.11.2013

Luceni Grasse de Oliveira

Deputy until 2.11.2013

Ilson Fernandes Sanches

Deputy until 3.19.2013

TOCANTINS**Divaldo José da Costa Rezende**

Member until 3.26.2013

Civil Society**NATIONAL CONFEDERATION OF AGRICULTURAL WORKERS (CONTAG)****Eliziário Noé Boeira Toledo**

Member until 8.12.2013

Fábio Assis de Menezes

Deputy until 8.12.2013

ANNEX 3

BNDES/AMAZON FUND STAFF

The BNDES' Environmental Division (AMA) (nível 3)

SUPERINTENDENT

Gabriel Rangel Visconti

HEAD OF THE LEGAL DEPARTMENT

Daniela Baccas

MANAGER OF THE LEGAL DEPARTMENT

Mariana Guimarães Lima

Management Department of the Amazon Fund (DEFAM)

HEAD OF DEPARTMENT

Juliana de Mello Queiroz Santiago

THE ENVIRONMENTAL DIVISION TEAM IN 2013, WHICH WAS DEDICATED TO THE AMAZON FUND

Sergio Eduardo Weguelin Vieira, Claudia Soares Costa, Ana Paula de Almeida Silva, Ana Paula Donato de Aquino, André Banhara Barbosa de Oliveira, Angela Albernaz Skaf, Bernardo Martim Ferreira Saavedra Félix, Bernardo Von Haehling Braune, Claudia Nessi Zonenschain, Cleber Zambarda, Daniel Nunes de Alencar Sato, Daniel Rossi Soeiro, Dílson Ojeda Pires, Eduardo Bizzo de Pinho Borges, Eduardo Fonseca Brasil, Fábio Maciel Plotkowski, Gil Vidal Borba, Guilherme Arruda Accioly, Jorge Reis de Vasconcellos Sandes, Jose Eduardo Rocha Pinto, Júlio Salarini Guiomar, Marcos Vinicius da Silva Rocha, Mariana Bloomsfield Coutinho, Mariana Guimarães Lima, Mauricio Busnello Furtado, Natália Faria de Souza, Renata Del Vecchio Gessulo, Roberto Emmerick Gouveia, Rubem Carlos de Souza Studart, Simone Marafon Schneider, Solon Eduardo Galhardo Sá, Thais Furtado Costa, Vivian Tavares da Costa, Fernando Souza da Silva, André Ferro dos Santos, Marcelo Ribeiro de Sá Martins, Aline de Melo Brandão, Eduardo Klingelhofer de Sá, Pedro Ivo Bifano Guedes and Gabriel Rebello Esteves Areal

INTERNS

Emanuelle Makiyama Bezerra, Deyvid Marques de Campos and Desiree Germana de Fatima Alvarez

ANNEX 4

INDEPENDENT AUDIT'S REPORT AND FINANCIAL STATEMENTS

Fundo Amazônia
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Financial statements
December 31, 2013 and 2012



KPMG Auditores Independentes
 Av. Almirante Barroso, 52 - 4º
 20031-000 - Rio de Janeiro, RJ - Brasil
 Caixa Postal 2888
 20001-970 - Rio de Janeiro, RJ - Brasil

Central Tel 55 (21) 3515-9400
 Fax 55 (21) 3515-9000
 Internet www.kpmg.com.br

Independent auditors' report on the financial statements

To
 The Administrator
 Fundo Amazônia
 Brasília - DF

We have audited the accompanying financial statements of Fundo Amazônia ("Fund"), which comprise the balance sheet as of December 31, 2013 and the related statements of income, changes in shareholders' equity and cash flows for the year ended December 31, 2013, as well as the summary of significant accounting policies and other notes to the financial statements.

The Administrator's responsibility for the financial statements

The Fund's Administrator is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil applicable to nonprofit entities in accordance with the provisions of Resolution CFC 1409/2012 and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Fundo Amazônia as of December 31, 2013 and the performance of its operations for the year then ended, in accordance with accounting practices adopted in Brazil applicable to nonprofit entities in accordance with the provisions of CFC Resolution 1409/2012.

Rio de Janeiro, April 30, 2014

KPMG Auditores Independentes
CRC SP-014428/O-6 F-RJ

(Original report in Portuguese signed by)
Carlos Eduardo Munhoz
Accountant CRC 1SP138600/O-7

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

BALANCE SHEETS
December 31, 2013 and 2012
(In thousands of reais)

	Note	2013	2012
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,463,071	90,888
Prepaid expenses	5	45,607	-
Total assets		<u>1,508,678</u>	<u>90,888</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Project funds	6	1,463,068	90,885
Support funds	7	45,607	-
SHAREHOLDERS' EQUITY			
Accumulated surplus		3	3
Total liabilities and shareholders' equity		<u>1,508,678</u>	<u>90,888</u>

See the accompanying notes to the financial statements.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

STATEMENTS OF INCOME
Years ended December 31, 2013 and 2012
(In thousands of reais)

	Note	2013	2012
INCOME			
Income from donations for investments	6	80,903	71,206
Income from donations for support	3.3	724	3,566
Financial income	4	30,471	7,052
EXPENSES			
Expenses with donations for investment	6	(80,903)	(71,206)
Expenses with remuneration of project funds	6	(30,471)	(6,855)
Administrative expenses	8	(724)	(5,026)
DEFICIT FOR THE YEAR		-	(1,263)

See the accompanying notes to the financial statements.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
December 31, 2013 and 2012
(In thousands of reais)

	Accumulated surplus
Balance at January 01, 2012	<u>1,266</u>
Deficit for 2012	<u>(1,263)</u>
Balance at December 31, 2012	3
Fiscal year 2013	<u>-</u>
Balance at December 31, 2013	<u>3</u>

See the accompanying notes to the financial statements.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

STATEMENTS OF CASH FLOWS
December 31, 2013 and 2012
(In thousands of reais)

	<i>Note</i>	<u>2013</u>	<u>2012</u>
OPERATING ACTIVITIES			
Deficit for the year		-	(1,263)
Expenses with remuneration of project resources	6	30,471	6,855
Proceeds from operating activities		30,471	5,592
FINANCING ACTIVITIES			
Funds raised for projects	6	1,422,615	115,302
Funds invested in projects	6	(80,903)	(71,206)
Funds from financing activities		1,341,712	44,096
INCREASE IN CASH AND CASH EQUIVALENTS		<u>1,372,183</u>	<u>49,688</u>
Cash and cash equivalents at beginning of year		90,888	41,200
Cash and cash equivalents at end of year	4	<u>1,463,071</u>	<u>90,888</u>
INCREASE IN CASH AND CASH EQUIVALENTS		<u>1,372,183</u>	<u>49,688</u>

See the accompanying notes to the financial statements.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2013 and 2012
(In thousands of reais)

1. CONTEXT OF ACTIVITIES

The purpose of Fundo Amazônia, created by BNDES Resolution 1.640, of September 3, 2008, starting its activities on October 9, 2009, is to raise donations for non-reimbursable investments in actions for prevention, monitoring and combating deforestation and for encouraging conservation and sustainable use of the forests in the Amazon biome, in the terms of Decree 6527 of August 1, 2008.

Fundo Amazônia supports projects in the following areas:

- Management of public forests and protected areas;
- Environmental control, monitoring and surveillance;
- Sustainable forest management;
- Economic activities arising from the sustainable use of forests;
- Ecological and economic zoning, land use and land tenure;
- Conservation and sustainable use of biodiversity, and
- Recovery of deforested areas.

The management of Fundo Amazônia is the responsibility of Banco Nacional de Desenvolvimento Econômico e Social - BNDES, where amongst others it is responsible for fundraising, contracting and monitoring projects and supported actions, as well as acting as a legal representative.

Fundo Amazônia has a Steering Committee - COFA which is responsible for determining its guidelines and monitoring the results. The members of this committee are not paid for their duties, since their tasks are considered services of public interest.

Fundo Amazônia has no legal personality, and its transactions are written up in specific accounts of the accounting records of Banco Nacional de Desenvolvimento Econômico e Social – BNDES.

2. PREPARATION BASIS

The financial statements were prepared and are being presented in accordance with accounting practices adopted in Brazil for nonprofit entities, in conformity with NBC (Brazilian Accounting Standard) - 10.19, approved by Resolution 877 of April 18, 2000, issued by the Federal Accounting Council.

The Administrator of Fundo Amazônia authorized the issuing of these financial statements on April 14, 2014.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2013 and 2012
(In thousands of reais)

a. Valuation basis

The financial statements were prepared based on the historical cost, except for financial investments recorded as financial instruments measured at fair value through profit or loss.

b. Functional currency

The Administrator concluded that the Fund's functional currency is the Real.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies described in detail below have been applied consistently to all the years presented in these financial statements.

3.1 Cash and cash equivalents

Cash and cash equivalents include bank deposits and financial investments with immediate liquidity with the administrator and with an insignificant risk of change in market value. The yields from the investments made with the administrator are pegged to the variation of the quota of the invested fund as described in Note 4.

3.2 Project Funds

It refers to the balance of donations received and not yet invested in projects, including income derived from the investment of these funds.

In conformity with Decree 6527 of August 1, 2008, only 97% of the funds received are allocated to projects. The amounts are recorded as liabilities, less the expenses incurred of each project, since they do not result in an increase or decrease in the Entity's equity, considering that the Fund is only the collecting and forwarding agent for execution of the projects.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2013 and 2012
(In thousands of reais)

3.3 Donations for support

Pursuant to paragraph 3 of Article 1 of Decree 6527/2008, BNDES should separate the amount equivalent to 3% of the value of the donations to cover its operating costs and expenses related to Fundo Amazônia. The portion of the donations for support, up till December 2012, was 100% accounted for as revenue in the period when actually received. However, after that date, support revenues related to 3% of the donations came to be counted as "support funds", being recognized as revenue resource utilization by BNDES. The transfer register of 3% accomplished to BNDES is presented as "prepaid expenses" and appropriated as "Administrative Expenses" accordance with the need to usage the BNDES.

3.4 Statement of Cash Flows

The Fund chose the indirect method for the presentation of this statement. The funds received from projects were treated as financing activities, considering that the Fund only acts as a collecting agent and forwarder of these funds.

4. CASH AND CASH EQUIVALENTS

Their breakdown is as follows:

	<u>2013</u>	<u>2012</u>
Funds not invested (*)	3	3
Financial investment with the administrator (**)	1,463,068	90,885
TOTAL	<u>1,463,071</u>	<u>90,888</u>

(*) The Fund holds an average of R\$ 3 which is not invested, in a current account for any administrative expenses charged by BNDES.

(**) The Administrator maintains the Fund's resources invested in the investment fund BB Gaia Fundo de Investimento Renda Fixa, which has a portfolio concentrating in government bonds of the Brazilian government and with BB Gaia II Fundo de Investimento em Cotas de Fundo de Investimento Renda Fixa, which concentrates at least 95% of its assets in shares of BB Gaia Fundo de Investimento em Renda Fixa. Both funds have a clause for daily liquidity.

In conformity with Decree 6527 of August 1, 2008, the percentage of 97% of the donations received is earmarked for investment in projects. The Fund separates these funds in specific investment account. Resources, while not directed to projects, are

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2013 and 2012
(In thousands of reais)

5. PREPAID EXPENSES

The balance of prepaid expenses consists of the equivalent of 3% of the amount of donations, held by BNDES to cover the operating costs of Fundo Amazônia, net of the amounts recognized as “Administrative expenses” in Fundo Amazônia in accordance with their use by BNDES.

6. PROJECT FUNDS

The balance of project funds was received from the following donors, the Norwegian Ministry of Foreign Affairs, KFW and Petrobras and are earmarked for specific projects, and linked to the objective of Fundo Amazônia.

The changes in the project funds are as follows

	<u>2013</u>
Balance at January 01, 2013	90,885
Yields	30,471
Funds released	(80,903)
Donations received (*)	<u>1,422,615</u>
Balance at December 31, 2013	<u>1,463,068</u>
	<u>2012</u>
Balance at January 01, 2012	39,934
Yields	6,855
Funds released	(71,206)
Donations received (*)	<u>115,302</u>
Balance at December 31, 2012	<u>90,885</u>

(*) Net amount of the portion of 3% intended to cover costs.

The amount of R\$ 80,903 (R\$ 71,206 in 2012) is recorded in the statement of income as “Income from donations for investments” and “Expenses with donations for investments”, canceling each other due to the fact that Fundo Amazônia is a nonprofit entity.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
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Notes to the financial statements
Years ended December 31, 2013 and 2012
(In thousands of reais)

Since the start of its activities until December 31, 2013, Fundo Amazônia has received funds from the following donors:

Donor	Up to 2013		
	Support funds 3%	Project funds 97%	Total 100%
Norwegian Ministry of Foreign Affairs	49,617	1,604,327	1,653,944
KFW	678	21,920	22,598
Petrobras	268	8,678	8,946
Total	50,563	1,634,925	1,685,488

Donor	Up to 2012		
	Support funds 3%	Project funds 97%	Total 100%
Norwegian Ministry of Foreign Affairs	6,129	198,174	204,303
KFW	199	6,444	6,643
Petrobras	237	7,692	7,929
Total	6,565	212,310	218,875

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
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Notes to the financial statements
Years ended December 31, 2013 and 2012
(In thousands of reais)

The amounts released for projects are presented in the table below:

Abbreviated name of the Project	Contracted	Released	Released	Total	Balance to be released
		Up till 2012	2013	Released	
ACRE STATE	60.000	31.557	5.000	36.557	23.443
ACRE STATE - CAR	16.838	0	0	0	16.838
ALTA FLORESTA/MT	2.782	2.699	83	2.782	0
ALTA FLORESTA/MT II	7.183	0	603	603	6.580
AMAZON, STATE	20.000	15.267	2.249	17.516	2.484
ANAPU/PA	432	0	0	0	432
FIRE BRIGADE AC	13.281	5.835	0	5.835	7.446
FIRE BRIGADE MT III	12.625	579	7.690	8.269	4.356
FIRE BRIGADE PA	16.830	0	16.830	16.830	0
FIRE BRIGADE RO I	15.041	0	4.324	4.324	10.717
FIREBRIGADE TO I	5.000	1.700	1.228	2.928	2.072
CARLINDA/MT	1.871	1.367	140	1.507	364
FAS BOLSA FLORESTA/2009-2013	19.169	10.753	3.481	14.234	4.935
FASE/FUNDO DEMA	9.347	590	2.161	2.751	6.596
FUNDAÇÃO BANCO DO BRASIL	15.000	0	6.687	6.687	8.313
FUNBIO/ARPA II	20.000	14.999	2.500	17.499	2.501
FUNBIO/KAYAPO	16.900	7.196	155	7.351	9.549
IBAM	18.853	0	1.176	1.176	17.677
IFT	7.449	4.118	2.554	6.672	777
IMAZON	9.736	6.576	1.738	8.314	1.422
INSTITUTO MAMIRAUÁ	8.505	0	1.239	1.239	7.266
IOV SEMENTES DO PORTAL	5.423	4.938	485	5.423	0
IOV SEMENTES DO PORTAL II	16.086	0	0	0	16.086
IPAM	24.939	4.492	3.963	8.455	16.484
ISPN	12.844	579	2.348	2.927	9.917
JACUNDA/PA	792	0	0	0	792
MARANHAO, STATE	20.036	0	0	0	20.036
MARCELANDIA/MT – REC. APP	669	0	182	182	487
MUSA	8.454	2.437	3.282	5.719	2.735
OTCA – MONIT. AMAZONIA REGIONAL	23.694	0	4.700	4.700	18.994
PORTO DOS GAUCHOS/MT	134	121	0	121	13
RIOTERRA	9.117	0	0	0	9.117
ENVIRONMENT AGENCY, PARA	15.923	9.624	2.158	11.782	4.141
ENVIRONMENT AGENCY, TOCANTINS	40.504	0	0	0	40.504
SEPROR AGROECOLÓGICA	14.900	0	0	0	14.900
SERVIÇO FLORESTAL BRASILEIRO	65.000	0	0	0	65.000
TNC BRASIL	16.000	11.613	0	11.613	4.387
UEA CARTOGRAFIA SOCIAL	4.615	2.050	1.738	3.788	827
UFPA BIODIVERSITY	4.640	0	765	765	3.875
UFPA BIOACTIVE COMPOUNDS	1.352	0	0	0	1.352
UFPA MANGROVE FORESTS	1.982	1.080	0	1.080	902
UFPA ISLANDS OF BELEM	1.138	621	0	621	517
UFPA/NAEA AMAZON FORUM	2.704	1.260	1.444	2.704	0
Total	587.788	142.051	80.903	222.954	364.834

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2013 and 2012
(In thousands of reais)

7. SUPPORT FUNDS

The balance of costing funds refers to the portion of the donation (3%) retained by BNDES not yet recognized as "Donation revenue". The recognition of the donation revenue occurs according to the use of resources by BNDES.

8. ADMINISTRATIVE EXPENSES

Up till November 2012, the support funds of the Fund were transferred to BNDES as the administrative expenses were calculated and collected by BNDES.

As from 2013, the recognition of expenses was recorded as corresponding entries against the "Prepaid Expenses" account, according to the use of resources by BNDES.

The breakdown of administrative expenses is as follows:

	<u>2013</u>	<u>2012</u>
Travel and per diem expenses	-	526
Audit	-	176
Committees	-	22
Seminars and events	-	71
Publicity	-	1,872
Other expenses	<u>724</u>	<u>2,359</u>
Total	<u>724</u>	<u>5,026</u>

9. TAXES

All tax obligations that perchance exist on account of transactions in the sphere of Fundo Amazônia are the responsibility of BNDES, as the Fund does not have its own legal personality, and its transactions are written up in specific bookkeeping accounts of BNDES.

PIS and COFINS

According to Article 1 of Law 11,828, of November 20, 2008, amended by Law 12.810, of May 15, 2013, donations in cash received by public financial institutions controlled by the Government and intended for actions to prevent, monitor and combat deforestation, including compensation programs for environmental services, and promoting conservation and sustainable use of Brazilian biomes are exempted from PIS-PASEP and from the Contribution for the Financing of Social Security (COFINS)

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2013 and 2012
(In thousands of reais)

Before the amendment of May 15, 2013, Law 11,828 provided effects suspending the levy covering donations whose distribution was made within a maximum period of two years as from the month following the receipt of the donation, requiring, in the event of non distribution during this period, the collection of unpaid contributions, plus interest and a fine on arrears, in the terms of the law.

Income tax and social contribution

There is no income to be presented for taxation of income tax (IRPJ) and social contribution on net income (CSLL) as the income from a donation is recognized at the same time as the recognition of operating expenses with projects envisioned within the sphere of Fundo Amazônia, as approved by the solution to request for a ruling 59 SRRF07/Disit of 06/08/2009, made by BNDES to the Federal Revenue Department.

10. RELATED PARTY TRANSACTIONS

The Fundo Amazônia has a relationship with Banco Nacional do Desenvolvimento Econômico e Social – BNDES, which is authorized to distribute the value of the donations received in cash, for realizing non-reimbursable investments in actions for preventing, monitoring, and combating deforestation and promoting conservation and sustainable use of the Amazon biome. This relationship refers to the amounts corresponding to “cash and cash equivalents” (in accordance with note 4), which are encountered in bank accounts, held by BNDES.

Additionally, BNDES withholds the amount equivalent to 3% of the amount of the donations to cover its operating costs and expenses related to Fundo Amazônia.

11. SHAREHOLDERS' EQUITY

The shareholders' equity of Fundo Amazônia is composed of the surplus/deficit for the years.

FUNDO AMAZÔNIA
(Administered by Banco Nacional de Desenvolvimento
Econômico e Social - BNDES)

Notes to the financial statements
Years ended December 31, 2013 and 2012
(In thousands of reais)

12. RISK MANAGEMENT

At December 31, 2013 and 2012 the Fund presents no material credit, liquidity, market and operational risks, as it has very limited operations. The Fund has a concentration of credit risk with its Administrator as presented in Note 4. The carrying amount represents the amount of the credit risk of the Fund.

GUILHERME NARCISO DE LACERDA
Director

SELMO ARONOVICH
Superintendent of the Financial Department

CARLOS FREDERICO RANGEL DE CARVALHO SILVA
Head of the Accounting Department
Accountant
CRC-RJ 087956/O-8

ANNEX 5

COMPLIANCE AUDIT REPORT

NATIONAL BANK FOR ECONOMIC AND SOCIAL
DEVELOPMENT - BNDES

Independent auditors' limited assurance
report

NATIONAL BANK FOR ECONOMIC AND SOCIAL DEVELOPMENT - BNDES

Contents

Independent auditors' limited assurance report

- 1. Introduction**
- 2. Procedures applied**
- 3. Scope and limitations**
- 4. Projected supported**
- 5. Environmental aspects of the analyzed projects related to Amazon Fund**
- 6. Conclusions**



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INDEPENDENT AUDITORS' REPORT

To
Management of
National Bank for Economic and Social Development - BNDES
Rio de Janeiro - RJ

1. Introduction

We were engaged for the purpose of applying limited assurance procedures intended to check the compliance of projects supported by Amazon Fund in 2013 with standards and guidelines applicable to them.

Our responsibility is to issue a limited assurance report on the compliance of the projects supported by Amazon Fund.

2. Procedures applied

The limited assurance procedures were followed according to the Standard NBC TO 3000 - Assurance Engagement Different from Audit and Review, issued by the Federal Association of Accountants (CFC) and approved by CFC Resolution 1.160/2009, and to the ISAE 3000 - International Standard on Assurance Engagements, issued by International Auditing and Assurance Standards Board (IAASB), both for assurance engagements different from audit or review of historic financial information.

The limited assurance procedures comprise:

- a) Planning of the work, considering the relevance, coherence, and volume of quantitative and qualitative information;
- b) Understanding the methodology of analysis of the projects by means of interviews with the managers responsible for the information;
- c) Examining analysis reports, management's decisions and contracts, checking their compliance with Decree No. 6.527, of August 1, 2008, which addresses the creation of the Amazon Fund by the Brazilian Development Bank (BNDES), particularly the compliance with the provisions of Article 1, and with the standards and guidelines issued by the Amazon Fund Guidance Committee (COFA);
- d) Evaluation of the purpose compliance (products and services), expected results and objectives of the projects analyzed by the technical teams of BNDES, approved by its management, engaged or to be engaged, to verify their compliance with the strategic guidelines included in the Sustainable Amazon Plan (PAS) and with the tactical and operational guidelines of the Action Plan for Prevention and Control of the Legal Amazon Deforestation (PPCDAM);



- e) Crosschecking the quantitative and qualitative information of the analysis reports and their conclusions against management's decisions and the contracts entered into between BNDES and the executors of the projects.

3. Scope and limitations

The purpose of our work was the application of limited assurance procedures on the compliance by BNDES with the provisions of Decree No. 6.527/2008 in regard to supportable actions with the guidelines and criteria issued by COFA, with the strategic guidelines included in PAS, and with the tactical and operational guidelines of PPCDAM, not including an evaluation of the compliance by the beneficiaries of the projects with the obligations agreed with BNDES.

The procedures followed and pertinent analyses made were restricted to the documents made available by BNDES, and their authenticity was not subject to validation.

The procedures applied do not represent an exam of financial statements according to Brazilian and international audit standards.

Our report does not provide limited assurance on targets met, results and expectation, and on information involving subjective evaluation.

Additionally, an exam of documents and procedures to identify frauds were not established.

4. Projects supported

During the performance of the limited assurance work, we analyzed approvals and engagements of non-reimbursable financial support to the projects during 2013, comprising the following executors and their current status:

a) Projects approved in 2012 and engaged in 2013:

Contract nº 12208321	Brazilian Federal Government/Ministry of Environment - Brazilian Forest Service (SFB)
Contract nº 12212881	State of Pará - Fire Department
Contract nº. 12213851	Brazilian Institute of Municipal Administration (Ibam)
Contract nº. 12213871	Mamirauá Institute of Sustainable development



b) Projects approved and engaged in 2013:

Contract n° 13204711	Amazon Cooperation Treaty Organization (OTCA)
Contract n° 13205581	State of Tocantins - State Department of the Environment and Sustainable Development (TO/Semades)
Contract n° 13205591	State of Maranhão - State Department of the Environment and Sustainable Development (MA/Sema)
Contract n° 13206321	Municipality of Alta Floresta/MT
Contract n° 13208281	Center for Amazon Environment and Culture Studies (Rioterra)
Contract n° 13208991	State of Amazonas - State Department of the Rural Production (AM/Sepror)
Contract n° 13211141	State of Acre - State Department of Planning (AC/Seplan)

c) Projects approved in 2013 and engaged/to be engaged in 2014:

Operation n° 3465328 (*)	Ministry of Environment - Brazilian Environment and Natural Resources Institute (Ibama)
Operation n° 3469386 (*)	WWF-Brazil
Operation n° 3889434 (*)	State of Mato Grosso - State Department of the Environment (MT/Sema)
Operation n° 4663727 (*)	Socio-environmental Institute (ISA)
Operation n° 4488847 (*)	State of Amapá - State Department of Planning, Budget and Treasury (AP/Seplan)
Operation n° 4753456 (*)	Ouro Verde Institute (IOV) - Phase 2
Operation n° 4853474 (*)	State of Pará

(*) BIIDES' internal numbering

5. Environmental aspects of the analyzed projects related to Amazon Fund

By the end of present work, we were provided with elements that contributed to a better understanding of the matter, both in regard to its current stage and future prospects, in order to assist the decision-making process. There is a great opportunity to promote environmental, social, and economic development and forest conservation in the areas covered by the Fund, with an actual prospect of containment of deforestation in Legal Amazon, and to enable alternatives for protection and sustainable use of the forest, based on the mechanisms and processes included in PPCDAM, PAS, and legal provisions of Decree n°. 6.527/2008 and Law n° 12.187/2009.

The analysis of the proposed projects and of the procedures and criteria used in the release of funds from Amazon Fund has made apparent the axes that guide the scope of these projects and the release of the funds: Land use; environmental control and monitoring; promotion of sustainable production activities; technological and scientific development; modernization and development of agencies acting in the Amazon biome.

6. Conclusions

- a) We crosschecked the clauses of the contracts for financial support to the projects listed in item 4, sub-item "a" (projects approved in 2012 and engaged in 2013) against the wording of the BNDES' management decisions approving the financial support.



We found that the purpose established in BNDES' management decisions, that approved the financial support to the projects was maintained in the contracts. We also found that the contracts did not include any amendments that could affect the compliance of the projects with Decree No. 6.527/2008, and with the criteria and guidelines of COFA, PAS, and PPCDAM.

The analysis reports and management's decisions referring to these projects were the object of our assurance analysis, for the year 2012, concluded on February 19, 2013. The audit report then issued concluded on the compliance of the projects with Decree No. 6.527/2008, and with the criteria and guidelines of COFA, PAS, and PPCDAM.

- b) We crosschecked the information included in analysis reports of the projects listed in item 4, sub-items "b" and "c" (projects approved and engaged in 2013, and projects approved in 2013 and engaged/to be engaged in 2014), against the provisions of Decree No. 6.527/2008, the criteria and guidelines established by COFA, the strategic guidelines included in PAS, and the tactical and operational guidelines of PPCDAM.

We did not find any non-conformances.

- c) We crosschecked the wording of BNDES' management decisions which approved the financial support to the projects listed in item 4, sub-items "b" and "c" (projects approved and engaged in 2013, and projects approved in 2013 and engaged/to be engaged in 2014) against the information included in the analysis reports.

We found that the purpose of the projects, object of the analysis reports issued by BNDES' technical teams, was maintained upon the approval of BNDES' management. We also found that the management decisions did not include any amendments that could affect the compliance of the projects with Decree No. 6.527/2008, and with the criteria and guidelines of COFA, PAS, and PPCDAM.



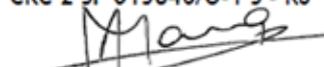
- d) We crosschecked the clauses of the contracts for financial support to the projects listed in item 4, sub-item "b" (projects approved and engaged in 2013) against the wording of BNDES' management decisions.

We found that the purpose established in BNDES' management decisions, that approved the financial support to the projects was maintained in the contracts. We also found that the contracts did not include any amendments that could affect the compliance of the projects with Decree n°. 6.527/2008, and with the criteria and guidelines of COFA, PAS, and PPCDAM.

Rio de Janeiro, February 18, 2014.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1 S - RJ


Alfredo Ferreira Marques Filho
Accountant CRC 1 SP 154954/O-3 - S - RJ


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ANNEX 6

GUIDELINES AND CRITERIA TO APPLY RESOURCES AND FOCUS EFFORTS IN 2013 AND 2014

As diretrizes e critérios para aplicação dos recursos do Fundo Amazônia contêm as principais deliberações normativas do COFA a respeito dos critérios orientadores, condicionantes mínimos para projetos, modalidades de aplicação dos recursos, restrição de uso dos recursos, critérios de equidade na aplicação dos recursos e limitações na aplicação dos recursos.

Guidelines and criteria to apply resources and focus efforts in 2013 and 2014 Consolidated on March 14, 2013

AMAZON BIOME PROJECTS		PROJECTS IN OTHER BIOMES IN BRAZIL		PROJECTS IN OTHER TROPICAL COUNTRIES	
A	Guidance criteria	G1-G4	Guidance criteria	H1-H3	Guidance criteria
B	Minimum requirements for projects	G5-G14	Minimum requirements for projects	H4-H12	Minimum requirements for projects
C	Resource application modalities	G15-G16	Resource application modalities	H13-H14	Resource application modalities
D	Resource use restrictions	G17-G19	Resource use restrictions	H15-H17	Resource use restrictions
E	Equality criteria in resource application	G20	Equality criteria in resource application	H18	Equality criteria in resource application
F	Resource application limitations				

FOCUS TO SUPPORT THE AMAZON FUND IN 2013 AND 2014

I1-I4	General guidance
I5-I10	Amazon Biome – Monitoring and control
I11-I15	Amazon Biome – Fostering sustainable production activities
I16-I18	Amazon Biome – Land-title regularization and land-use planning
I19-I24	Amazon Biome – Scientific and technological development
I25-I27	Operational modalities
I28	Amazon Fund support for other biomes in Brazil
I29	Amazon Fund support for other tropical countries

Guidelines and criteria to apply the amazon fund's resources in the Amazon Biome

APPLICATION	APPLICATION LIMIT OF THE TOTAL RESOURCES AVAILABLE IN THE YEAR	TABLES
Amazon Biome Projects	no limits	A-F

GUIDANCE CRITERIA		RESOURCE APPLICATION MODALITIES	
CODE	CRITERIA	CODE	MODALITIES
A1	Geography	C1	Direct application – Investment
A2	Topic	C2	Direct application – Financing
A3	Diversity of agents involved and shared governance	C3	Payment for environmental services
A4	Target audience	C4	Long-term continued services
A5	Importance	C5	Indirect application
A6	BNDES' application lines	RESOURCE USE RESTRICTIONS	
MINIMUM REQUIREMENTS FOR PROJECTS		CODE	RESTRICTIONS
CODE	CONDITIONS	D1	Daily payment
B1	Result indicators	D2	Payment to individuals
B2	Applicants/Executors	D3	Taxes
B3	Social participation	EQUALITY CRITERIA IN RESOURCE APPLICATION	
B4	Consistency with the Amazon Fund topics	CODE	CRITERIA
B5	Consistency with the federal plan and the state plans to prevent and combat deforestation	E1	Equality in resource application per state
B6	Consistency with PAS	E2	Equality per type of proponent
B7	Contribution to REDD	RESOURCE APPLICATION RESTRICTIONS	
B8	Additional resources	CODE	RESTRICTIONS
B9	Counter-application	F1	Projects with economic purposes
B10	Territorial base	F2	Projects with economic purposes to support socially-disadvantaged groups
B11	Advertising and transparency	F3	Projects with economic purposes of collective use Local Production Arrangements (APLs)
B12	Project sustainability	F4	Projects with economic purposes of scientific and technological research developed in cooperation with Technology Institutions (ITs) and entities with economic purposes.
B13	Decentralization of resources		
B14	Benefits of collective use		
B15	Not replacing other sources of financing		

GUIDANCE CRITERIA

A1 – GEOGRAPHY

- Projects carried out in the priority municipalities to prevent, monitor and combat deforestation (these municipalities are defined in accordance with Article 2 of Law N°. 6,321/2007);
- Projects carried out in municipalities within the scope of PAC's large-scale works ; and
- Projects carried out in municipalities/regions with more substantial forest coverage.

A2 – TOPIC

Efforts to enhance the standing forest (conservation and sustainable use)

- Promote and increase the scale of production of timber and non-timber forest products from sustainable forest management, including management plans, research, innovation, and scientific and technology dissemination, market development, training and qualification;
- Implement payment systems for environmental services associated with the maintenance of and/or increase in forest coverage and/or forest and agroforestry systems;
- Develop and implement recovery models for APPs and Legal Reserve, with emphasis on economic use; -The economic use of APPs will only be supported in accordance with the legislation in effect.
- consolidate protected areas, especially the Conservation Units for Sustainable Use and Indigenous Land;

Efforts to promote land-title regularization and land-use planning

- Defining a destination for Public Forests that have not been assigned a destination, with priority on community forests;
- Reprimand for illegal appropriation of land, land-title regularization and land-use planning, preferably in areas with a higher concentration of wealth and/or conflicts; land-title regularization includes regularization processes and society's follow up on said processes;

Efforts to structure and integrate the control systems, environmental monitoring and surveillance in the Amazon

- Support to structure state agencies responsible for environmental management.
- Support to implement municipal systems to monitor and supervise the environment;
- Structure and integrate control systems for forest management, environmental licensing of rural properties and tracking, as well as custody chains for agricultural and forestry products;
- Expand and intensify systems that monitor deforestation and forest degradation.

A3 – DIVERSITY OF AGENTS INVOLVED AND SHARED GOVERNANCE

Projects involving contact between diverse agents from the public and private sector, third sector or local communities with a shared governance structure.

A4 – TARGET AUDIENCE

Projects involving direct benefits for traditional communities, settlements and family farmers.

A5 – RELEVANCE

- Projects with the highest potential for multiplication
- Projects with the highest potential impact (e.g. R\$ / sustainably managed or protected hectare of forest)

A6 – BNDES APPLICATION LINES

Prioritize projects including the lines (a) sustainable production activities and (d) scientific and technological development. The BNDES should endeavor efforts to apply resources in priority areas, including instruments to increase demand .

MINIMUM REQUIREMENTS FOR PROJECTS

B1 – RESULT INDICATORS

Project must include measurable indicators for results that are directly related to the Amazon Fund's goals .

B2 – APPLICANTS / EXECUTORS

Projects must include agreement of all partners and co-executors.

B3 – SOCIAL PARTICIPATION

Projects involving traditional communities and indigenous people must necessarily present documents certifying the previous consent of these communities or their representative institutions. The communities involved should be explained in the project. Projects related to the responsibility of public agencies, or the establishment of public policies do not need the consent of beneficiaries.

B4 – CONSISTENCY WITH THE AMAZON FUND TOPICS

Projects must be compatible with at least one topic, as stated in Law N°. 6,527/2008.

B5 – CONSISTENCY WITH THE FEDERAL PLAN AND STATE PLANS TO PREVENT AND COMBAT DEFORESTATION

Projects must present clear evidence that they are in coherence with efforts established in the PPCDAm and in State Plans to Prevent and Combat Deforestation. In the absence of the State Plan to Prevent and Combat Deforestation, the criteria are not applied.

B6 – CONSISTENCY WITH PAS

Projects must present clear evidence that they are in coherence with PAS guidelines.

B7 – CONTRIBUTION TO REDD

Projects must directly or indirectly contribute towards REDD.

B8 – ADDITIONAL RESOURCES

Projects must represent additionality to public budgets allocated to the Amazon Fund's application areas.

B9 – COUNTER-APPLICATION

Projects must present counter-application and/or non-financial contributions, showing additionalities to resources taken from the Amazon Fund and produce a multiplying effect for fund investments. Counter-applications can be in the form of financial resources directly invested in the project or by providing infrastructure, personnel and other indirect forms.

The following aspects will be considered when applying this criterion:

- Average budget executed in the 2 years prior to public budget invested in the proposed effort;
- Degree of resource control in the public budget to implement the effort;
- Forecasts from current government multi-annual plans (PPAs).

B10 – TERRITORIAL BASE

Projects must clarify their territorial base (state and, where applicable, municipality)

B11 – ADVERTISING AND TRANSPARENCY

Projects must present an advertising mechanism for its implementation through the Internet. The BNDES will provide a standardized tool for integrating and disseminating updated information regarding the implementation of all projects.

B12 – PROJECT SUSTAINABILITY

Submit support strategies for the project's results after its implementation.

B13 – DECENTRALIZATION OF RESOURCES

In the Fund's efforts, there must be an effort to balance support in all its topic areas, in accordance with the priorities that are established.

B14 – BENEFITS OF COLLECTIVE USE

The results of projects with economic purposes must be of collective or for public use and related to:

- Production infrastructure for collective use;
- Studies and surveys and results are to be made available to the community;
- Training and qualification open to the community;
- Technological development with results; open to the community, whenever feasible;
- Replicable innovations and practical application
- Other collective benefits identified in the assessment process

B15 – NOT REPLACING OTHER SOURCES OF FINANCING

The Amazon Fund resources cannot replace other available sources of financing.

RESOURCE APPLICATION MODALITIES

C1 – DIRECT APPLICATION – INVESTMENT

Applications made directly by project executors, even through third-party contracts. This includes investments in buildings, equipment, training and qualification to establish initiatives. Projects may use more than one modality.

C2 – DIRECT APPLICATION – FINANCING

Applications made directly by project executors, even through third-party contracts. This includes travel expenses/field missions, individual or company consulting, field materials, communication, among others. Projects may use more than one modality.

C3 – PAYMENT FOR ENVIRONMENTAL SERVICES

Payments made to providers of environmental services. Projects may use more than one modality.

C4 – LONG-TERM CONTINUED SERVICES

Services that should be carried out in the long term to obtain long-term results, such as monitoring deforestation or forest degradation, forest inventory, among others. Continued service projects may be up to 10 years and must have a continuous tracking mechanism for implementing and publicly disclosing the results. Projects may use more than one modality.

C5 – INDIRECT APPLICATION

Indirect applications by aggregating small projects, including funds and other organizations that implement projects.

RESOURCE USE RESTRICTIONS

D1 – OUT-OF-POCKET EXPENSE PAYMENTS

No out-of-pocket expense payments will be made to public agents, such as civil servants, public employees or any person in a public post. This restriction does not apply in the case of financing for research activities.

D2 – PAYMENT TO INDIVIDUALS

No payment of wages or any kind of remuneration will be made to full-time civil servants at any of the three levels of government (this restriction does not apply to scholarships or research specifically related to the project).

D3 – TAXES

Resources cannot be applied to pay taxes that are not inherent or an integral part of financing or investments made by the project (restriction does not apply to taxes related to project activities, such as ICMS (valued-added tax on sales and services) included in the price of products; INSS (National Institute of Social Security) on the payment for the services of individuals etc.)

EQUALITY CRITERIA IN RESOURCE APPLICATION

E1 – EQUALITY IN RESOURCE APPLICATION PER STATE

Avoid concentration of project resources in one state only

E2 – EQUALITY PER TYPE OF APPLICANT

Avoid concentration of resources among applicants: government agencies, research institutions and civil society organizations. Within the context of the Amazon Fund, civil society includes non-governmental organizations, unions/guilds (representations for categories), firms and other institutions governed by private law.

RESOURCE APPLICATION LIMITATIONS

F1 – PROJECTS WITH ECONOMIC PURPOSES

The Amazon Fund maximum participation:

- 90% for projects that involve small and micro businesses, producer cooperatives or associations with annual gross operating revenues less than or equal to R\$ 10.5 million;
- 70 % for projects that involve medium-sized businesses, producer cooperatives or associations with annual gross operating revenue above R\$ 10.5 million and less than or equal to R\$ 60 million;
- 50% for projects that involve large companies, producer cooperatives or associations with annual gross operating revenue above R\$ 60 million.

Note: in the event of early activities on the calendar year, above limits will be proportional to the number of months in which the company has been operating, not considering fractions of months. In the case of companies under implementation, the annual sales projection will be considered, taking into account the total installed capacity. When the company is controlled by another company, or belongs to a business group, the size classification will consider the consolidated gross operating revenue.

F2 – PROJECTS WITH ECONOMIC PURPOSES TO SUPPORT SOCIALLY DISADVANTAGED GROUPS

Maximum share of the Amazon Fund, in duly justified cases: 100%. Economic results brought about by projects to support socially-disadvantaged groups should be distributed to the members, regardless of who the applicant is.

F3 – PROJECTS WITH ECONOMIC PURPOSES FOR LOCAL PRODUCTION ARRANGEMENTS (APLS) FOR COLLECTIVE USE

Maximum share of the Amazon Fund: 90%

F4 – PROJECTS WITH ECONOMIC PURPOSES FOR SCIENTIFIC AND TECHNOLOGICAL RESEARCH DEVELOPED IN COOPERATION WITH TECHNOLOGY INSTITUTIONS (ITS) AND COMPANIES WITH ECONOMIC PURPOSES

Maximum share of the Amazon Fund:

- 90 % for projects involving small and micro businesses, producer cooperatives or associations with annual gross operating revenues less than or equal to R\$ 10.5 million;
 - 80% for projects involving medium-sized businesses, producer cooperatives or associations with annual gross operating revenue greater than R\$ 10.5 million and less than or equal to R\$ 60 million;
 - 70% for projects involving large companies, producer cooperatives or associations with annual gross operating revenue above R\$ 60 million – see note in item F1
- » Beneficiaries of the financial resources from the Amazon Fund will be Technological Institutions (ITs) and/or Support Institutions (IAs).
 - » Technological Institution (IT): companies governed by internal public law or an entity directly or indirectly controlled by it or a non-profit company governed by, private law, whose institutional mission, among others, is to carry out basic or applied research activities of a scientific or technological character, as well as technological development.
 - » Supporting Institutions (IA): non-profit institutions created to support research, teaching, and extension and institutional, scientific and technological development of interest to higher education institutions and scientific and technological research institutions and those institutions created under the terms of Law N°. 8,958, of December 20, 1994, which have the same purpose;
 - » Companies and/or other entities with economic purposes with strategic interest in research will not be direct beneficiaries of resources. They intermediate financing operations and will provide financial contribution to supplement the Amazon Fund's resources.
 - » Support is offered to investments made to benefit the Technological Institutions (IT), with a special purpose to meet project goals;
 - » Participation in the intellectual property and economic results from project creations will adhere to provisions in the Innovation Law (Law N°. 10,973, of December 2, 2004). Thus, the parties, in an agreement, will establish the ownership of intellectual property and profit sharing. Provided they are established in the agreement, these will be proportionately secured at a rate equivalent to the aggregate value of existing knowledge at the beginning of the partnership and of human, financial and material resources allocated by the Contracting Parties in the project.
 - » During analysis, the BNDES will check related aspects of intellectual property rights resulting from the research, development and innovation project so as to avoid, when appropriate, practices that restrict use and assignment of these rights. In addition to the matters referred to, the BNDES, in the analysis stage, will also verify the criteria for divvying up the project's financial results.

G. Guidelines and criteria to apply the amazon fund's resources in projects to develop systems to monitor and control deforestation in other brazilian biomes

APPLICATION	APPLICATION LIMIT OF THE TOTAL RESOURCES AVAILABLE IN THE YEAR	TABLES
Projects in other Brazilian biomes and other tropical countries	20%	G and H

GUIDANCE CRITERIA

G1 – DIVERSITY OF AGENTS INVOLVED AND SHARED GOVERNANCE

Projects involving contact between diverse agents, public, private and third sector or local communities with a shared governance structure.

G2 – RELEVANCE

Projects that develop and implement long-term monitoring methodology for REDD.

G3 – PRIORITY

Within the scope of support for other Brazilian biomes, priority will be given to permanent monitoring system projects per biome, which contribute to nationwide system for monitoring and controlling deforestation, burn-offs and forest fires, in accordance with the prevention and control plans.

G4 – SCOPE

Rural environmental Registration projects (CAR) are considered part of the environmental control systems.

MINIMUM REQUIREMENTS FOR PROJECTS

G5 – RESULT INDICATORS

Projects must include measurable result indicators that are directly related to implementing systems so as to monitor deforestation or forest degradation.

G6 – APPLICANTS/EXECUTORS

Projects must include agreement between all partners and co-executors.

G7 – SOCIAL PARTICIPATION

Projects must have a monitoring phase, necessarily featuring governmental entities and civil society. Projects involving the development of monitoring systems should have a monitoring phase that necessarily includes the participation of governmental entities and civil society. Communities involved should be explained in the project. Projects related to the tasks to be carried out by public agencies, or to the formation of public policies do not necessarily require the beneficiaries' consent.

G8 – CONTRIBUTION TO REDD

Projects must contribute directly or indirectly towards REDD.

G9 – ADDITIONALITY OF RESOURCES

Projects must represent public budgets additionalities to public budgets earmarked for Amazon Fund application.

G10 – COUNTER-APPLICATION

Projects must present counter-applications and/or non-financial contributions, demonstrating the additionalities to resources taken from the Amazon Fund and producing a multiplying effect for the Fund's investments. Contributions can be in the form of financial resources directly invested in the project or by providing infrastructure, personnel and other indirect forms. While applying this criterion, the following aspects may be considered: average budget used in the 2 previous years in the public budget invested in the proposed effort; degree of control on the public budget to implement the effort; and the forecasts from the current government multiannual plans (PPAs).

G11 – TERRITORIAL BASE

Projects must necessarily address the monitoring of forests of at least one entire biome.

G12 – ADVERTISING AND TRANSPARENCY

Monitoring systems supported by the Amazon Fund will be based on platforms that enable broad dissemination, transparency and access to data produced, via the internet. The BNDES will provide a standardized tool for integrating and disseminating updated information regarding the implementation of all projects.

G13 – PROJECT SUSTAINABILITY

Demonstration of the capacity to economically sustain the project after it is implemented.

G14 – DECENTRALIZATION OF RESOURCES

In the Fund's efforts, there must be an effort to balance support in all its topic areas, in accordance with the priorities that are established.

RESOURCE APPLICATION MODALITY**G15 – DIRECT APPLICATION – INVESTMENT**

Applications made directly by project executors, even through third-party contracts.

This includes investments in buildings, equipment, training and qualification to establish initiatives. Projects may use more than one modality.

G16 – DIRECT APPLICATION – FINANCING

Applications made directly by project executors, even through third-party contracts.

This includes travel expenses/field missions, individual or company consulting, field materials, communication, among others. Projects may use more than one modality.

RESOURCE USE RESTRICTIONS**G17 – OUT-OF-POCKET EXPENSE PAYMENTS**

No out-of-pocket expense payments will be made to public agents, such as civil servants, public employees or any person in a public post. This restriction does not apply in the case of financing for research activities.

G18 – PAYMENT TO INDIVIDUALS

No payment of wages or any kind of remuneration will be made to full-time civil servants at any of the three levels of government (this restriction does not apply to scholarships or research specifically related to the project).

G19 – TAXES

Resources cannot be applied to pay taxes that are not inherent or an integral part of financing or investments made by the project (restriction does not apply to taxes related to project activities, such as ICMS (valued-added tax on sales and services) included in the price of products; INSS (National Institute of Social Security) on the payment for the services of individuals etc.).

EQUALITY CRITERIA IN RESOURCE APPLICATION**G20 – EQUALITY IN RESOURCE APPLICATION PER STATE**

Avoid concentration of project resources in one state only.

H. Guidelines and criteria to apply the amazon fund's resources in projects to develop systems to monitor deforestation in other tropical countries

APPLICATION	APPLICATION LIMIT OF THE TOTAL RESOURCES AVAILABLE IN THE YEAR	TABLES
Projects in other Brazilian biomes and other tropical countries	20%	G and H

GUIDANCE CRITERIA**H1 – DIVERSITY OF AGENTS INVOLVED AND SHARED GOVERNANCE**

Projects involving contact between diverse agents, public, private and third sector or local communities with a shared governance structure.

H2 – RELEVANCE

Countries with large-scale forest coverage.

H3 – SCOPE

In other tropical countries, the Amazon Fund support will be limited to projects that contribute to creating or improving systems to monitor forest coverage.

Forest coverage monitoring systems is understood as applying techniques that involve processing (e.g., Geo-referencing, enhancements and rating) images of the Earth's surface (aerial or satellite) to map out vegetation by using information produced (e.g., preparation of maps, spatial and statistics analysis) to improve forest management.

MINIMUM REQUIREMENTS FOR PROJECTS**H4 – RESULT INDICATORS**

Projects must include measurable result indicators that are directly related to implementing systems so as to monitor deforestation or forest degradation.

H5 – APPLICANTS/EXECUTORS

Projects must be presented by the central government of the beneficiary country, multilateral institutions or by Brazilian governmental institutions, and, in the two latter cases, must have the formal consent of the central government of the country that will benefit from the efforts in the project.

H6 – SOCIAL PARTICIPATION

Projects must have a monitoring phase, necessarily featuring governmental entities and civil society. Projects related to the tasks to be carried out by public agencies, or the formation of public policies do not necessarily require the beneficiaries' consent.

H7 – CONTRIBUTION TO REDD

Projects must contribute directly or indirectly towards REDD.

H8 – COUNTER-APPLICATION

Projects must present counter-applications and/or non-financial contributions, demonstrating the additionalities to resources taken from the Amazon Fund and producing a multiplying effect for the Fund's investments. The following aspects may be considered: average budget executed in the two previous years in the public budget invested in the proposed effort; degree of control of the public budget to implement the effort; and the forecast for current government multiannual plans. The contributions can be in the form of financial resources directly invested in the project or by the provision of infrastructure, personnel and other indirect forms.

H9 – ADVERTISING AND TRANSPARENCY

Monitoring systems supported by the Amazon Fund will be based on platforms that enable broad dissemination, transparency and access to data produced, via the internet.

H10 – PROJECT SUSTAINABILITY

Demonstration of the capacity to economically sustain the project after it is implemented. The BNDES will provide a standardized tool for integrating and disseminating updated information to implement all projects.

H11 – DECENTRALIZATION OF RESOURCES

In the Fund's efforts, there must be an effort to balance support in all its topic areas, in accordance with the priorities that are established.

H12 – PREVIOUS PHASE

As a stage to consider international projects, the BNDES, prior to project eligibility, will request a formal assessment from the Ministry of Foreign Affairs (MRE) on the priority and the impacts of the project with regard to Brazil's foreign relations.

RESOURCE APPLICATIONS MODALITIES

H13 – DIRECT APPLICATION – INVESTMENT

Applications made directly by project executors, even through third-party contracts.

This includes investments in buildings, equipment, training and qualification to establish initiatives. Projects may use more than one modality.

H14 – DIRECT APPLICATION – FINANCING

Applications made directly by project executors, even through third-party contracts.

This includes travel expenses/field missions, individual or company consulting, field materials, communication, among others. Projects may use more than one modality.

RESOURCE USE RESTRICTIONS

H15 – OUT-OF-POCKET EXPENSE PAYMENT

No out-of-pocket expense payments will be made to public agents, such as civil servants, public employees or any person in a public post. This restriction does not apply in the case of financing for research activities.

H16 – PAYMENT TO INDIVIDUALS

No payment of wages or any kind of remuneration will be made to full-time civil servants at any of the three levels of government (this restriction does not apply to scholarships or research specifically related to the project).

H17 – TAXES

Resources cannot be applied to pay taxes that are not inherent or an integral part of financing or investments made by the project.

EQUALITY CRITERIA IN RESOURCE APPLICATION

H18 – EQUALITY IN RESOURCE APPLICATION PER STATE

Avoid project concentration in the same country.

I – Focus to support the Amazon Fund in 2013 and 2014

GENERAL GUIDANCE

I1 – FOCUS FOR 2013 AND 2014

In the following items, the Amazon Fund's focus efforts for 2013 and 2014 are defined, while guidelines and additional criteria are established. Support for projects presented by governments must represent additionality to public budgets allocated to the Amazon Fund application areas.

I2 – CONDITIONS TO SUPPORT STATES

Support for new projects submitted by state governments will be conditioned to the fact that the state concerned is preparing to make the required investment to implement CAR in its territory, with resources from the Amazon Fund, or from other sources.

In contracts between the Amazon Fund and states, a contractual obligation, along with its established review, should be included by states, as well as their plans to prevent and combat deforestation, if they are out of date.

Support for projects combating forest fires or burn-offs will be conditioned to the firefighter brigades'/state governments' commitment to be ready to operate in environmental emergencies involving forest fires when formally requested by the Ministry of the Environment (MMA).

I3 – RESEARCH INFRASTRUCTURE

The Amazon Fund's support for scientific and technological development will include support for the necessary research infrastructure.

I4 – PROJECT CONSOLIDATION OR EXPANSION

Direct support is authorized for the second phase of projects previously supported by the Amazon Fund, including those completed or in the final stage of implementation, which aims at continuing and expanding its results. Priority will be given to those that are in accordance with the focus efforts for 2013 and 2014.

AMAZON BIOME – MONITORING AND CONTROL

I5 – ENVIRONMENTAL REGULARIZATION AND RURAL ENVIRONMENTAL REGISTRATION (CAR)

To foster the environmental regularization process for rural properties and temporary land possession, by registering on the Rural Environmental Register (CAR) and strengthening CAR state management systems, aimed at integration into the Rural Environmental Register System (SICAR).

Support to implement the CAR will be a priority offered through operations with the states, which may establish partnerships /contracts within the scope of Law N°. 8,666/1993 to carry out the necessary efforts. It is up to the Ministry of the Environment (MMA) to define minimum requirements to establish state systems. As a priority It will be up to the states to contract financial support from the Amazon Fund to implement these efforts, and take direct responsibility for implementing it and rendering the corresponding accounts to the BNDES.

I6 – NATIONAL SYSTEM TO CONTROL FOREST PRODUCTS

To structure the national system to control the origin of wood, coal and other products or forest by-products and their integration with the Legal Amazon state systems and with the SICAR.

I7 – ENVIRONMENTAL SUPERVISION AND POLICING

To strengthen the inspection federal and state governments' structures and environmental policing, with criteria that ensure joint efforts.

I8 – MUNICIPAL ENVIRONMENTAL MANAGEMENT

To strengthen municipal environmental management, to implement CAR and /or decentralize environmental licensing activity of local impact that is legally delegated to it.

The support to structure municipal environmental agencies will be offered exclusively through operations with states, which will have the responsibility to bring these demands together and make efforts to cover all the municipalities in the territory, through a participatory process of project construction.

I9 – UNAUTHORIZED FOREST FIRES AND BURN-OFFS

To support efforts against unauthorized forest fires and burn-offs presented by government agencies with expertise in the Legal Amazon.

I10 – MONITORING

Support to monitor deforestation, forest degradation and burn-offs in the Amazon Biome, mainly in indigenous lands located in areas suffering from severe deforestation.

AMAZON BIOME – FOSTER SUSTAINABLE PRODUCTION ACTIVITIES

I11 – GREEN SETTLEMENT PROGRAM

To implement the “Green Settlement Program” (a program for the Prevention, Combat and Alternatives to Illegal Deforestation in the Amazon Settlements-PPCADI-Amazon), primarily in: (i) settlements situated in the municipalities included in the MMA in the municipality list of priority for efforts against deforestation and (ii) the settlements with a more substantial forest coverage.

I12 – SUSTAINABLE FOREST MANAGEMENT

Support for sustainable timber management.

I13 – EXTRACTION ECONOMY

More importance given to the extraction economy in conservation units for sustainable use and their buffer zones in support of the socio-biodiversity national plan, with priority for (i) the extraction reserves (RESEX) where there are high deforestation rates; and (ii) conservation units in the Green Assistance Program;

I14 – ENVIRONMENTAL REGULARIZATION PROGRAMS

Support to recover permanent preservation areas and legal reserves, aimed at implementing the Environmental regularization programs (PRAs), for temporary land possession and farms.

I15 – FAMILY FARMING

Support for sustainable production activities in communities formed mostly by family farmers.

AMAZON BIOME – LAND-TITLE REGULARIZATION AND LAND-USE PLANNING

I16 – LAND-TITLE REGULARIZATION

Land-title regularization for public land, with priority given to areas suffering from severe deforestation; priority is also given to digitalizing land titles and building or consolidating state land-title maps, as well as computerizing property registration and records of state land agencies.

Financial compensation for expropriation will not receive support.

I17 – INDIGENOUS LAND

Preparing and implementing territorial and environmental management plans for indigenous land, in compliance with the National Policy of Territorial and Environmental Management of Indigenous Territory (PNGATI);

I18 – PROTECTED AREAS

Creating and consolidating protected areas.

AMAZON BIOME –SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT

I19 – SOCIO-BIODIVERSITY NEW PRODUCTS

Support for scientific and technological research focused on biodiversity product sectors, including the development of new products from the Amazonian biodiversity-pharmaceuticals, plant health care, medicines, cosmetics and other products of interest to the chemical and food industries.

I20 – SUSTAINABLE PRODUCTION ACTIVITIES

Scientific and technological research aimed at timber forest management, at recovering degraded areas, at integrating farming-cattle-raising-forestry (ILPF), and at sustainable fishing and aquaculture;

I21 – ECOSYSTEMS SERVICES

Developing methodologies to measure the stock and capacity to store the Amazon Forest’s biomass carbon, as well as to measure other ecosystem services;

I22 – NATIVE FORESTRY

Developing technology for native species forestry, including the production and storage of seeds and saplings;

I23 – MONITORING AND DEFORESTATION CONTROL SYSTEMS

Developing system technology to monitor and control deforestation and process surface images of Earth to map out vegetation so as to support forest management;

I24 – NEW STANDARDS OF SUSTAINABLE DEVELOPMENT

Socio-economic research with participative methodologies for new sustainable development standards in the region.

AMAZON BIOME – OPERATIONAL MODALITIES

125 – GUIDANCE

The focuses defined in items I5 to I24 will be supported exclusively through direct presentation of structuring projects or projects selected through calls-to-submission promoted directly by the Amazon Fund (the BNDES) or through partner institutions.

126 – STRUCTURING PROJECT

A structuring project cumulatively meets the following criteria:

- a. it contributes to implementing a public policy.
- b. it is responsive in relation to the problem situation.
- c. it has scale in the territory (whenever the project develops its efforts in the territory).

The criterion “have scale in the territory” will be considered met when, for example, the efforts of the project cover in its entirety a set of municipalities, settlements or protected areas, a state planning region, the surrounding areas of PAC works etc. Defining territorial scale must be done according to the characteristics of the project and its respective public policies.

Structuring projects can be proposed by (a) federal government agencies; (b) state or government agencies; (c) private non-profit organizations.

In the case of scientific and technological development projects, structuring projects can be proposed by scientific and technological institutions, and/or their supporting foundations and/or civil society organizations whose purpose is thus defined in its articles of incorporation or bylaws, or, proposed by the federal or state government agencies. Within the scope of scientific and technological development, initiatives that target the development of innovative strategies to combat deforestation may also be supported in the direct modality.

127 – CALLS-TO-SUBMISSION

In addition to the calls-to-submissions held directly by the Amazon Fund (the BNDES) support for partner institutions will be admissible so as to promote calls-to-submissions for projects. Partner institutions must prove experience, knowledge and operational capacity to offer quality and scale to calls-to-submission. Partner institutions are understood as third-sector entities and those from federal and state governments.

The Amazon Fund will be permanently open for partner institutions to present requests for financial collaboration, which seek support for calls-to-submissions for projects, with a focus on priority efforts in 2013 and 2014, as per items I5 to I24.

The calls-to-submission held directly by the Amazon Fund or those supported indirectly through partner institutions, should be subject to advertising, disclosing, via the Internet, the Amazon Fund or the responsible partner institutions, as may be the case.

Support may also be offered to study and research in the Amazon Fund’s specific areas, chosen by the BNDES, through calls-to-submission, which directly or indirectly enable the creation of projects that may lead to significant public and private investments.

AMAZON FUND SUPPORT IN OTHER BRAZILIAN BIOMES

128 – RURAL ENVIRONMENTAL REGISTRATION (CAR) AND ENVIRONMENTAL REGULARIZATION PROGRAM

The following will be supported: (i) mainly projects presented by state governments containing xeric shrub land (caatinga) and/or hinterland, aiming at fostering environmental regularization of temporary land possession and rural properties, through registration on the Rural Environmental Register (CAR), via membership and enrollment on the Rural Environmental Register System (SICAR); and (ii) to develop monitoring systems for the Environmental Regularization Program (PRA).

AMAZON FUND SUPPORT IN OTHER TROPICAL COUNTRIES

129 – SYSTEMS TO MONITOR DEFORESTATION IN OTHER TROPICAL COUNTRIES

Support from the Amazon Fund is still authorized for projects that contribute to creating or improving monitoring systems for forest coverage in other tropical countries, according to current guidelines and criteria (see items H1 to H18).

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SEMENTES DO PORTAL – FASE 2 | PORTAL SEEDS – PHASE 2: WESLEY RAMOS

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FUNDAÇÃO BANCO DO BRASIL – FUNDO AMAZÔNIA | BANCO DO BRASIL FOUNDATION – AMAZON FUND: ROGÉRIO FAISSAL

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MATO GROSSO SUSTENTÁVEL | SUSTAINABLE MATO GROSSO: DANIEL SOEIRO

PROGRAMA MUNICÍPIOS VERDES | GREEN MUNICIPALITIES PROGRAM: DANIEL SATO

GESTÃO FLORESTAL E DINAMIZAÇÃO DE CADEIAS PRODUTIVAS DA SOCIOBIODIVERSIDADE DO AMAPÁ | FOREST MANAGEMENT AND BOOSTING PRODUCTION SECTOR FOR SOCIO-BIODIVERSITY IN AMAPÁ: DANIEL SATO

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CAR: TOCANTINS LEGAL | CAR: TOCANTINS LEGAL: MARCELO SKAF

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ACRE: INCÊNDIOS FLORESTAIS ZERO | ACRE: ZERO FOREST FIRES: ANA PAULA SILVA

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