Pre-GCF Board Meeting
Bali, Indonesia - February 17, 2014

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The Brazilian Amazon challenge

- 5.1 million Km²
- 23 million people (12% of Brazil’s)
- 350,000 indigenous people
- 70% urban population
- 46% below poverty line (2nd poorest region)
- 17% deforested

Global Benefits
- World’s largest rainforest
- Unique biodiversity
- 20% globe’s fresh water
- Carbon stocks
INPE is leading the world in the use of satellite imagery to monitor tropical deforestation.

**PRODES, DETER, DEGRAD, DETEX**

Source: www.obt.inpe.br/prodes
Deforestation in 2012: 4.571 km²
Reduction since 2004: -84%
National Policy Strategy - PPCDAM

- Agrarian and territorial planning
- Monitoring and Control
- Sustainable Production Activities
Brazil efforts to reduce deforestation

- DETER Monitoring System (PRODES since 1988)
- Brazilian Forest Service created (forest concessions)
- National Climate Change Policy
- REDD+ task Force with the Amazon States

- 2000:
  - National Protected Areas System (ARPA)
- 2002:
  - Action Plan to Prevent and Control Deforestation in the Legal Amazon area – PPCDAm
- 2004:
  - COP BALI
- 2006:
  - Amazon Fund
- 2008:
  - Action Plan to Prevent and Control Deforestation and Forest Fires in Cerrado - PPCerrado
- 2009
- 2010
- 2012
Objective: to raise donations to invest in efforts to fight deforestation and promote conservation and sustainable use of the Amazon Biome.

Up to 20% of the resources may support deforestation monitoring systems in other Brazilian biomes and in tropical forests in other countries.
Amazon Fund’s Governance

Donations

Guidelines and criteria

Steering Committee
Scientifical Technical Commitee

Certifications of emissions avoided

Management

BNDES

External Audit

Project Execution

NGOs
Governmental Entities
Research Institutions

Donations
Why BNDES as a manager?

- National development bank
- Long experience (1952) in implementing structural projects
- Strong fiduciary and safeguards instruments
- Key instrument for the federal government’s economic policies
- Main provider of long-term financing in Brazil
- Activities and capability in environmental and social projects

US$ 88.1 billion of disbursements in 2013
**Fundraising Mechanism**

**Quantity Performance Payments’ Approach**

Deforested area in the Amazon Biome (km²)

- Average deforestation rate (1996 - 2005): 19.625 km²
- Average deforestation rate (2001 - 2010): 16,531 km²

**Formula**

**Step 1**

\[
RED = (ADR - DR) \times EF
\]

Where:
- RED - Reduced Emissions of Deforestation in tons of Carbon (tC)
- ADR - Average of Deforestation Rate (ha)
- DR - Annual Deforestation Rate to the period considered (ha)
- EF - Emission Factor in tons of Carbon per hectare of forest - tC/ha

**Step 2**

\[
PF = RED \times CF_{C-CO_2} \times US\$ \, 5,00
\]

where:
- PF - Potential Annual Fund-raising
- RED - Reduced Emissions of Deforestation in tons of Carbon (tC)
- \( CF_{C-CO_2} \) - Conversion Factor from C to CO₂ = 11/3 CO₂/C
Fundraising

Donations

US$ 786 million contracted

% Distribution

Norway; 96%

German/KFW 3,5%

Petrobrás 0,5%

Position on 04.02.2014
Strategic resources for sustainable development in the Amazon

**July 2009**
- first projects were submitted

**December 2013**
- 50 projects supported, totaling US$ 329 million
- 47 projects under consultation or analysis (US$ 340 million)

Position on 12.01.2013
Amazon Fund’s supported projects

Evolution 2009-2013

Supported Projects 50

Supported Projects (US$) 329 millions

*Graph showing the evolution of supported projects from 2009 to 2013 with bars for annual and accumulated projects.*

*Pie chart showing the distribution of supported projects by category.*
A new sustainable development model
92 projects in the portfolio (US$ 667 millions)
Communication and Transparency

41 News bulletins
65 Portfolio reports
  4 Annual Reports (Portuguese and English)
  2 Short films produced
250 messages / year: fundoamazonia-faleconosco@bndes.gov.br

COFA’s discussions available on the Amazon Fund’s website
THANK YOU!
TERIMA KASIH!
TAKK! DANKE!
OBRIGADA!

AMAZON FUND

Brazil protects it. The world supports it. Everybody wins.