



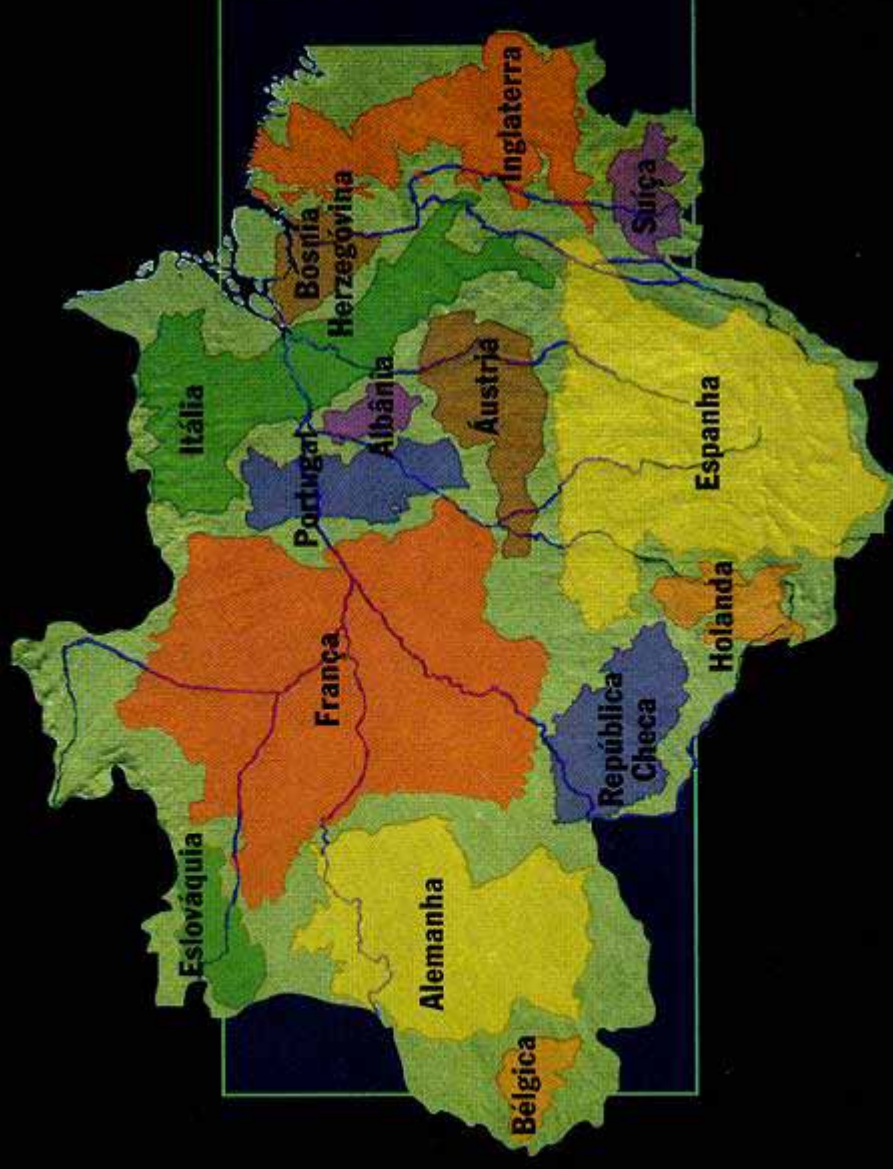
Combating Deforestation and Promoting Sustainable Development in the Amazon

The Amazon Fund





The Amazon Region



$\frac{1}{2}$ of Europe could
fit in the Amazon
territory.

5 million Km²

22 million inhabitants

220 different indigenous
groups / 180 languages



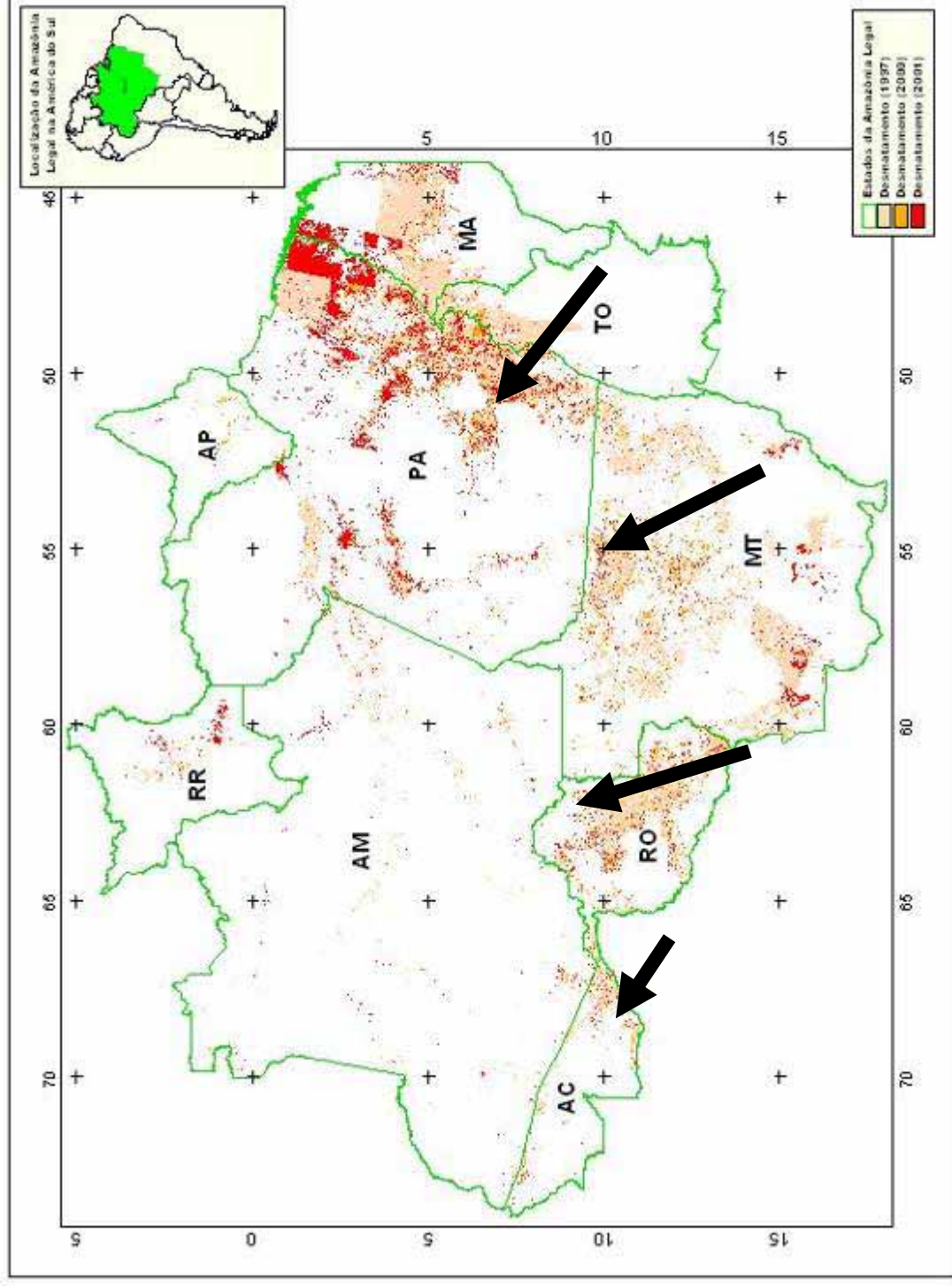
Deforestation in the Amazon



Still, 85% forest



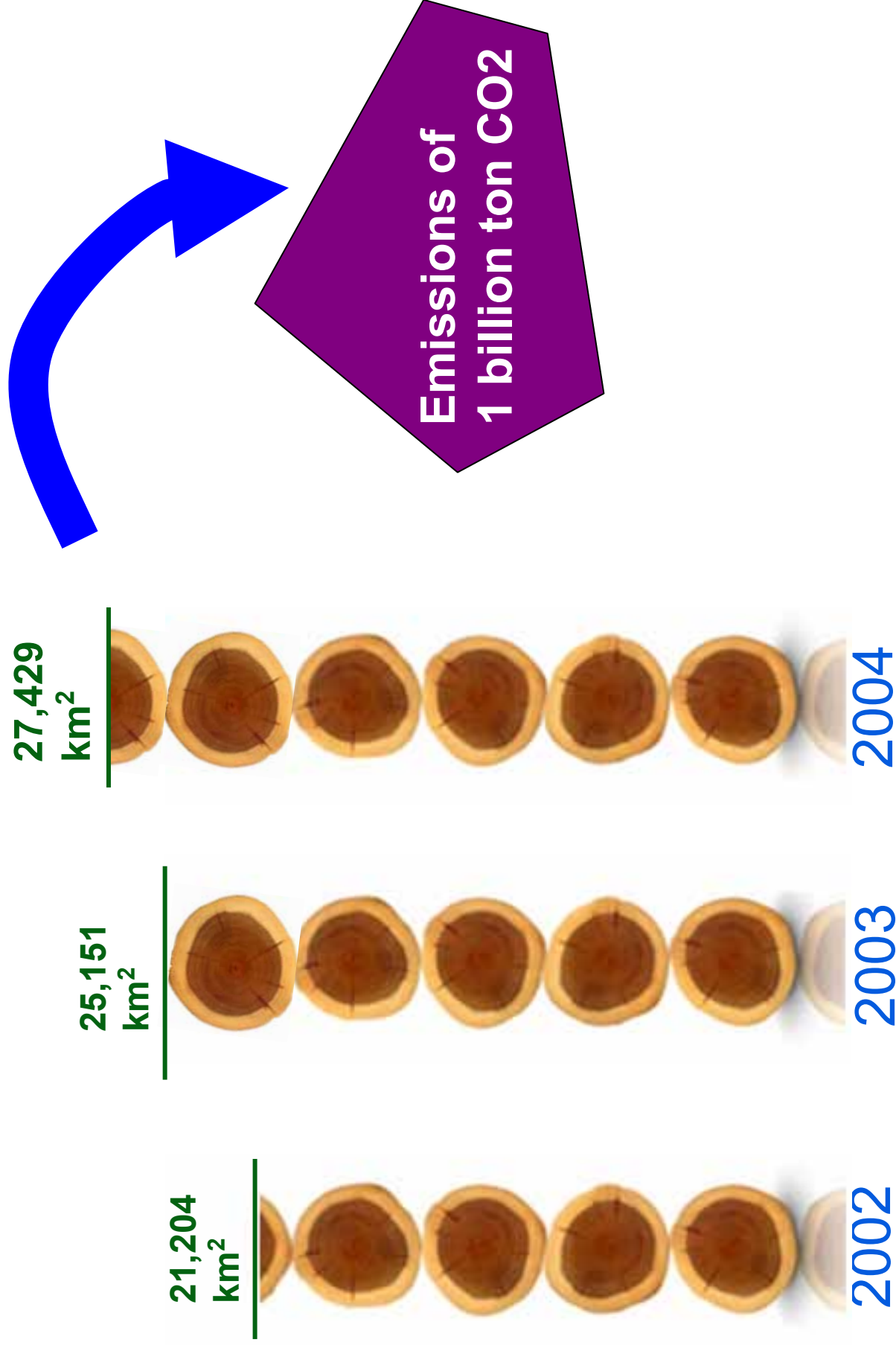
Deforestation in the Amazon



But, we lost 15% in 30 years



Deforestation in the Amazon





March 2004 – Action Plan to Prevent and Control Deforestation in the Amazon

Led by the **President's Cabinet** involving
11 Ministries

144 actions in three strategies:

- **Land Tenure and Territory Planning**
- **Environmental Monitoring and Control**
- **Incentives to Sustainable Production**





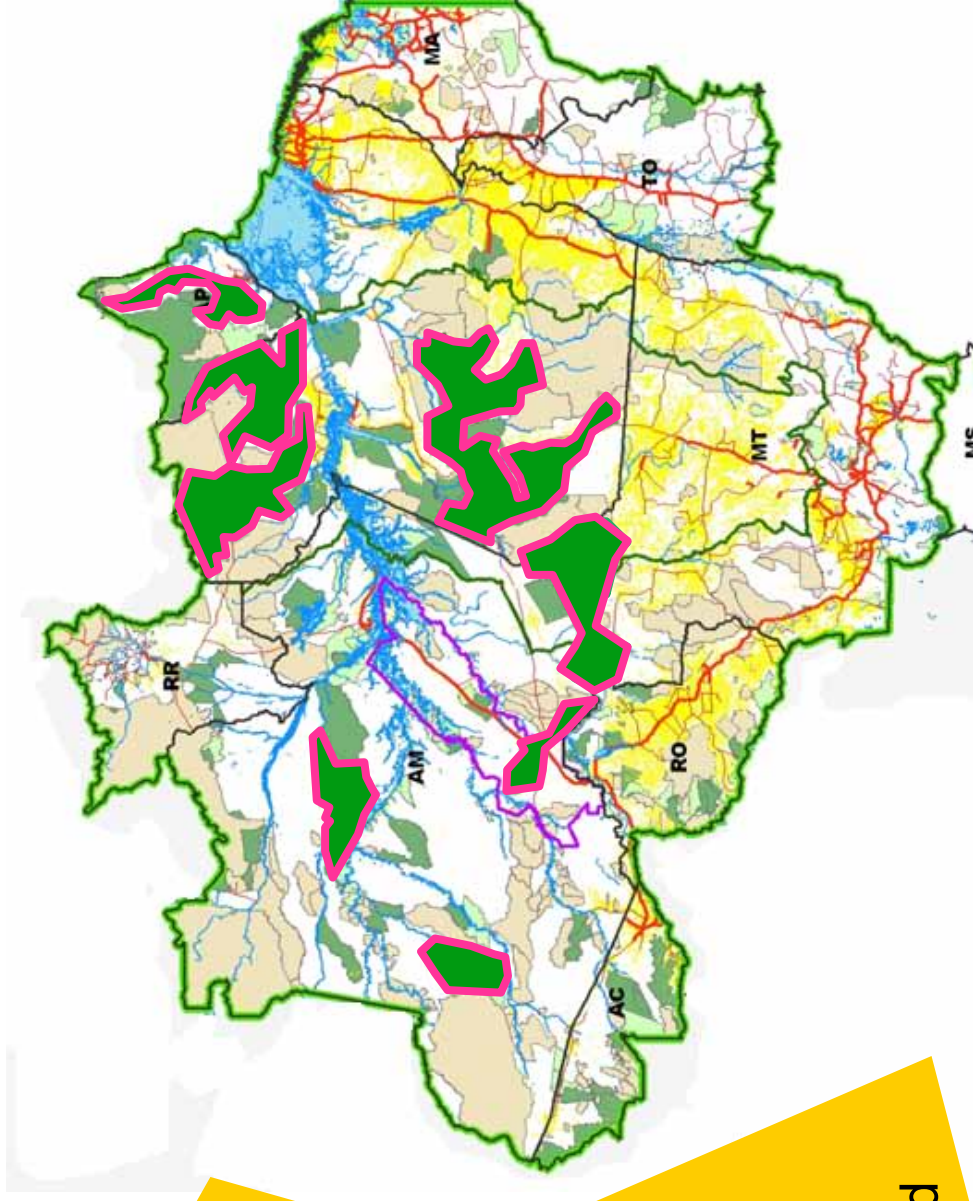
OUTPUTS → Land Tenure and Territory Planning

10 million ha of
Indigenous Territories
created

25 million ha of
Protected Areas

3,9 million ha of
Sustainable Settlement
Projects

66 thousand illegal land
titles canceled





OUTPUTS → Environmental Monitoring and Control

1,3 million m³ of illegal logs apprehended

Over 700 people in prison

Real time remote survey system to monitor deforestation and logging





OUTPUTS → Incentives to Sustainable Production

New legislation and regulation for management of **Public Forests**

19 million hectares of **Sustainable Forest Districts**

211 million hectares in the Public Forest Nacional Registry

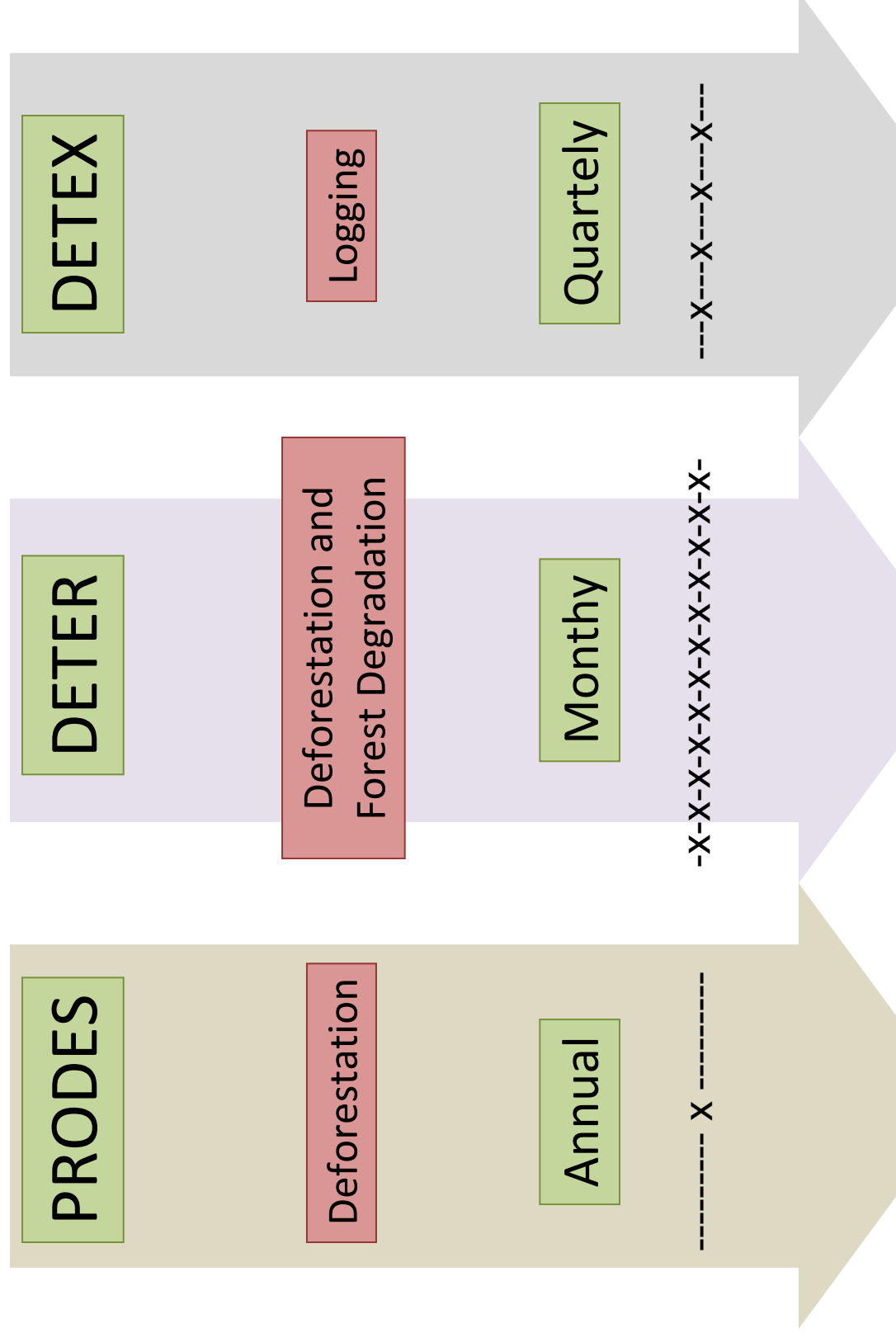
6 million hectares of extrativist reserves

Increase on FSC certified forests from 300.000 to **3 million hectares**

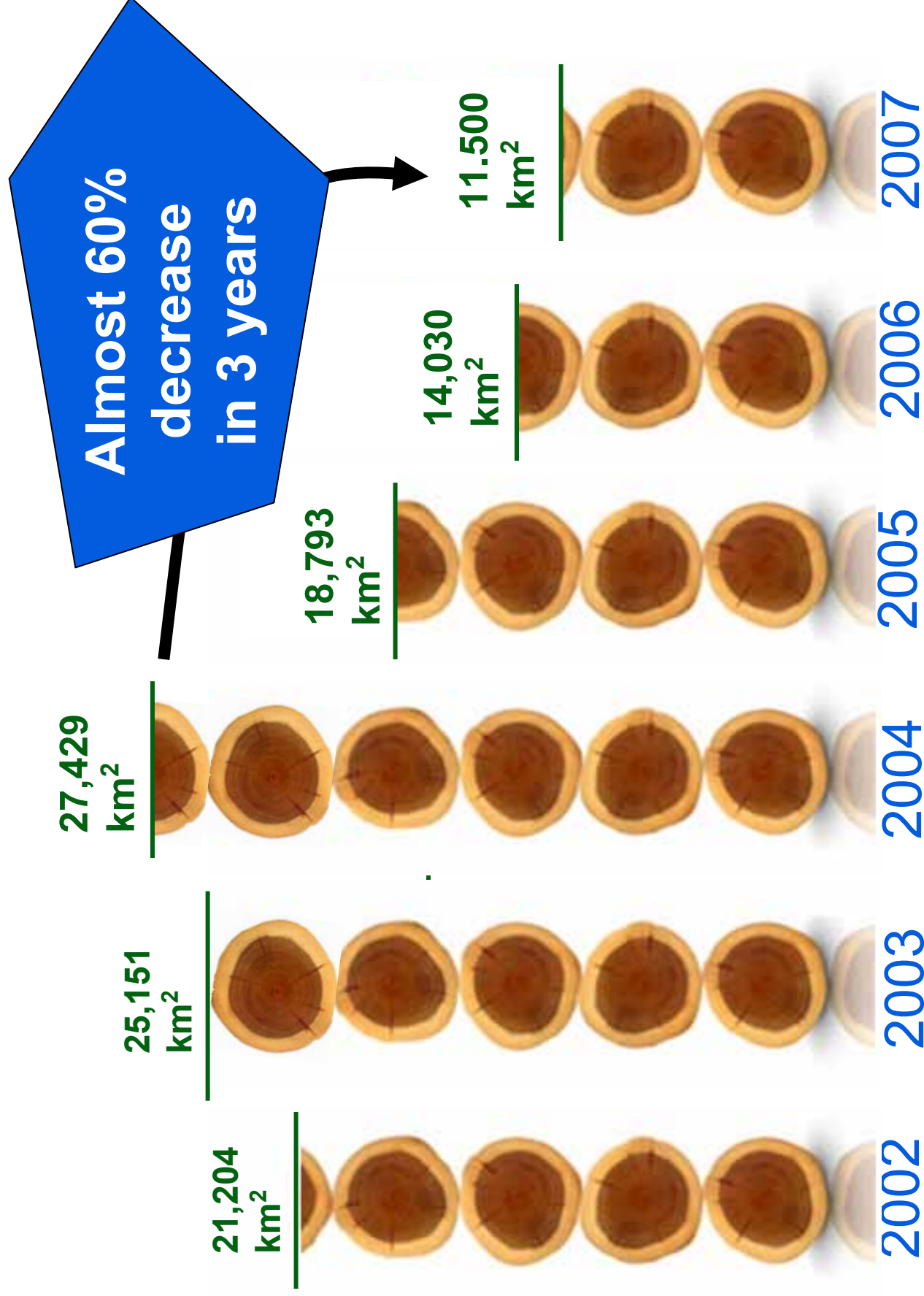




Action Plan for Deforestation Prevention and Control in the Amazon

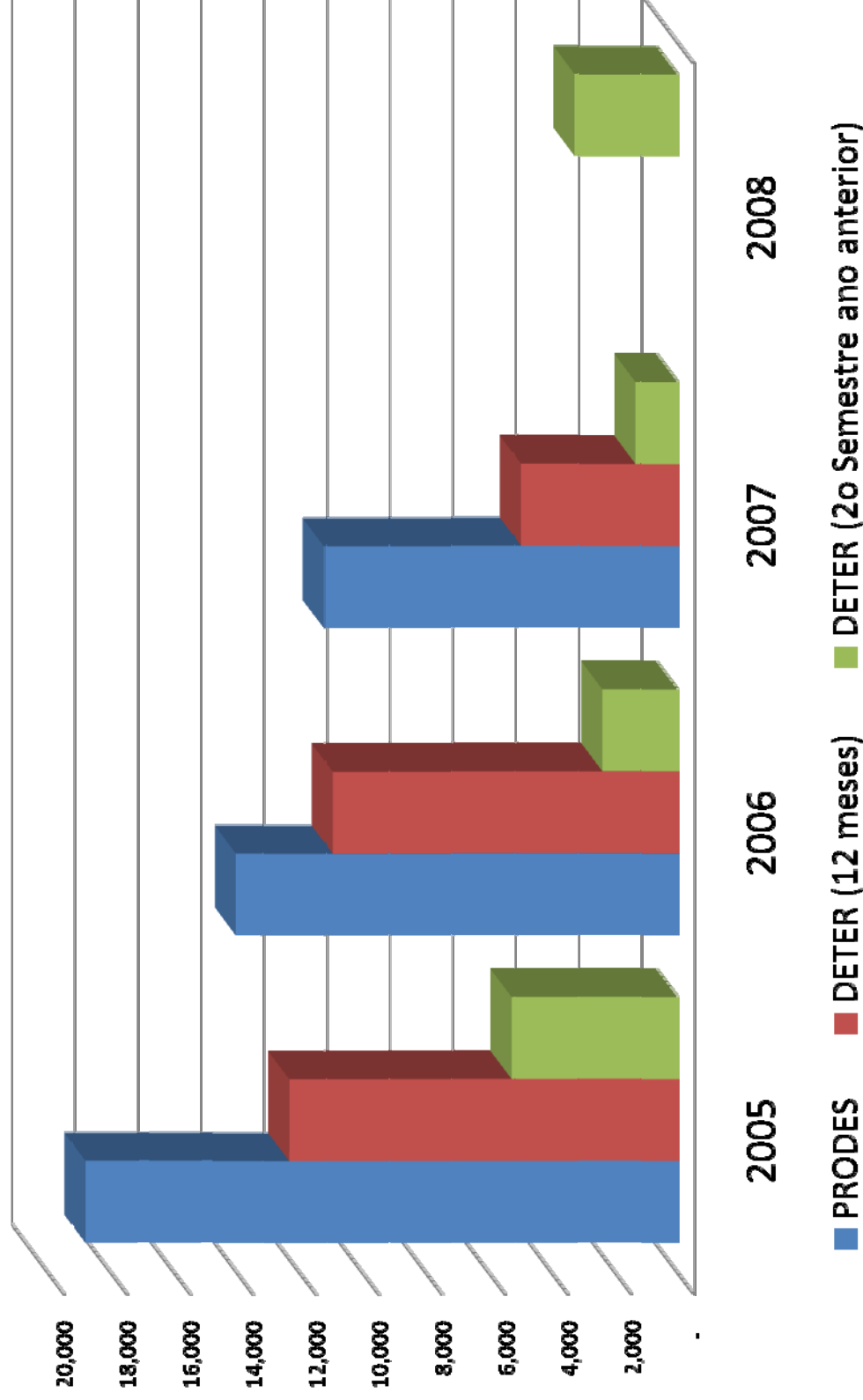


Built on freeware software and all information is shared through internet





Potencial reverse on trend



* Em 2005 e 2006 inclui até jan e até abril respectivamente



Action Plan for Deforestation Prevention and Control in the Amazon

New Actions - 2008



Cut investments and credits for activities related to deforestation and forest degradation



Invest on activities that promote forest conservation, restoration and sustainable agriculture



New Actions - 2008

- National Plan to Combat Deforestation 2008-2011
- Plan to Combat Deforestation at State Level 2008-2011

- Environmental Regularity as a condition to access credit on public and private finance institutions (*decision from National Monetary Council*) (May, 2008)
- Public List of properties locked for economic activities due illegal logging or deforestation (April, 2008)
- New regulation to speed up the process for a verdict in relation to environmental crimes (Julho, 2008)
- Creating of new specializes agents to enforce environmental regulations.



- Program to Promote Socioenvironmental Reform in 36 critical municipalities (May, 2008)
- Program of Landscape Restoration at property level (July, 2008)
- SFM in Public Forests (Jan, 2008)
- Reform of Credit Rules for sustainable forest activities (halt interest rate / forest as guaranty)
- Program of Payment for Forest Conservation (2008)





**Brazilian Government is committed to invest
US\$ 500 million between 2008 and 2011 in the
Combat of Deforestation and Promote Sustainable
Forestry**

**There is a need of another US\$ 1 billion/year and incentives
for REDD can be a excellent opportunity mobilize resources
to face this challenge**



Amazon Fund

Transform the reduction emissions from deforestation into a system to **fund** the conservation and sustainable use of forests

Promote a initiative that **demonstrates** the **viability** of a large scale mechanism for incentives to reduce deforestation emissions



Purpose of the Amazon Fund

Invest in actions from government and non-government organizations to control e combat deforestation and to promote the conservation and sustainable use of forests including:

- Protected Areas and Public Forests
- Environmental monitoring and control
- Combat of Illegal logging
- Sustainable Forest Management
- Biodiversity Conservation
- Reforestation and Restoration of Forest Ecosystem

Invest on the transfer of technology and experiences to other tropical forestry countries and other biomas in Brazil.
(up to 20% of the funds)





Fundraising

**Based on reduced emission from
deforestation in the Amazon**





Principles

Consistent and simple

Low transactional cost

Based in real reduced emissions

Participatory



Amazon Fund



Scope → all Brazilian Amazon



Scope

**Implementation
Timeframe**

Biomes

2006 – 2010

Amazon

From 2011 on

All biomes

This period will be dedicated to the development of deforestation monitoring systems in other biomes



Quantification of Reduced Emissions



EMISSIONS ESTIMATES

CONSERVATIVE APPROACH TO AVOID MONITORING
AND COUNTING COMPLEXITY

$$\text{Emissions} = \text{Deforested Area (ha)} \times \text{TonC/ha}$$

Deforested Area = Satellite Monitoring Methodology
(PRODES)

TonC/ha = below minimum reference value in the
literature (120 to 350 tonC/ha)
→ project will use 100 tonC/ha

$$\begin{array}{r} 253 \\ \times 75 \\ \hline \end{array}$$

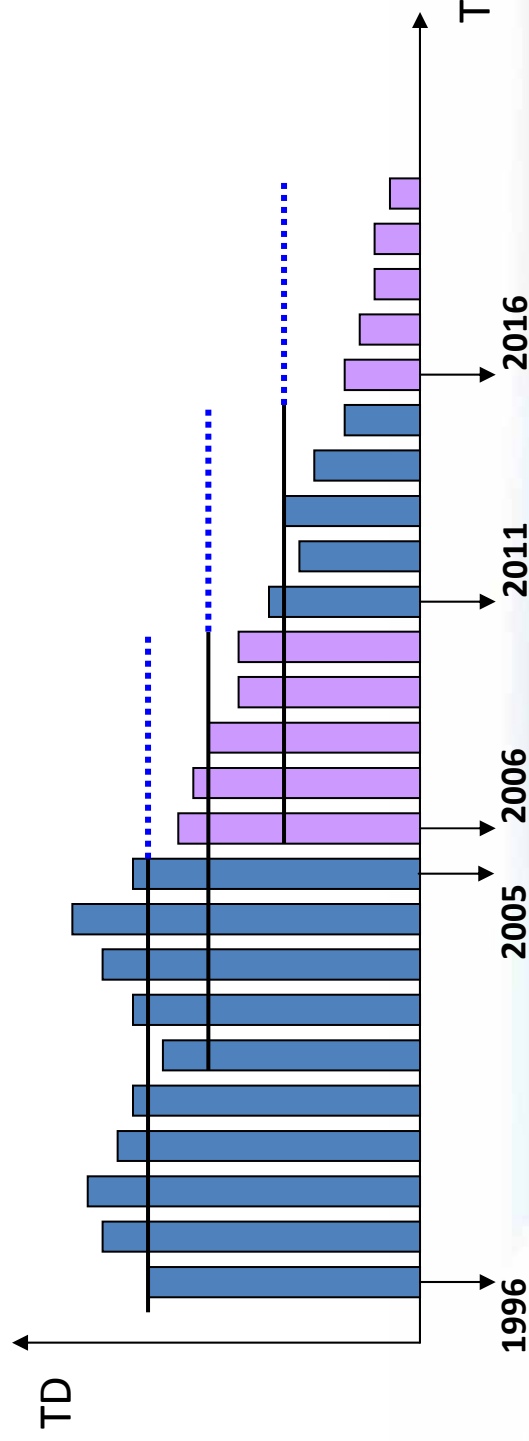


Quantification of Reduced Emissions



AVERAGE DEFORESTATION RATE

- Using 10 years average
- ADR revised every 5 years



Year of Reference	Period for ADF calculation	ADF
2006 to 2010	1996 to 2005	1,95 million ha



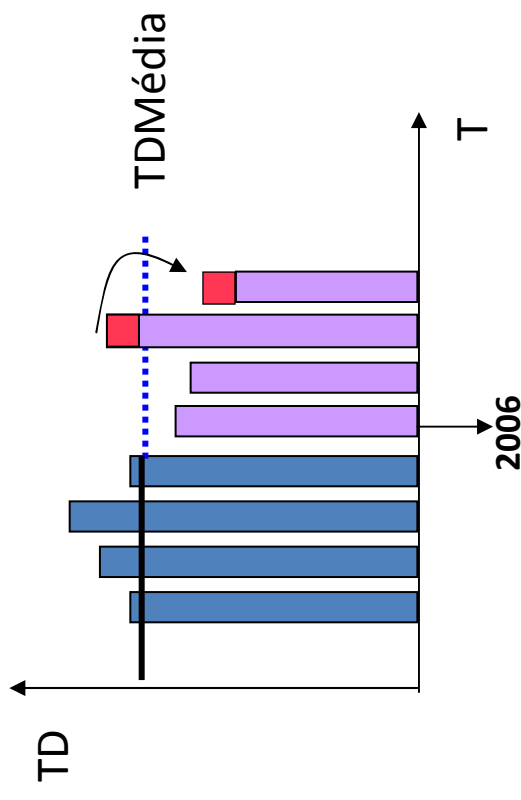
Quantification of Reduced Emissions



DEFORESTATION ABOVE THE AVERAGE RATE

If deforestation rate in the reference year is higher than the average rate, the Government:

- ◆ Will not be able raise funds in that year
- ◆ Will have to compensate the reduction in the following year





Quantification of Reduced Emissions



REDUCED EMISSIONS ESTIMATE

Example for the first year (2006)

ADR – 1,95 million hectares

DRY (2006) – 1,40 million hectares

RED = (1.95 – 1.40 mi ha) * 100 TonC/ha

RED = 55 million TonC

200 million Ton of CO₂



CONTRIBUTORS

GOVERNMENTS

COMPANIES

NON GOVERNAMENTAL ORGANIZATIONS

MULTILATERAL ORGANIZATIONS

INDIVIDUALS

**US\$ 5,00 of contribution
equivalent to the support for the
achieved reduction of one Ton of
CO₂**





Governance

Fund hosted and managed by BNDES (Brazilian Development Bank)

Steering Committee

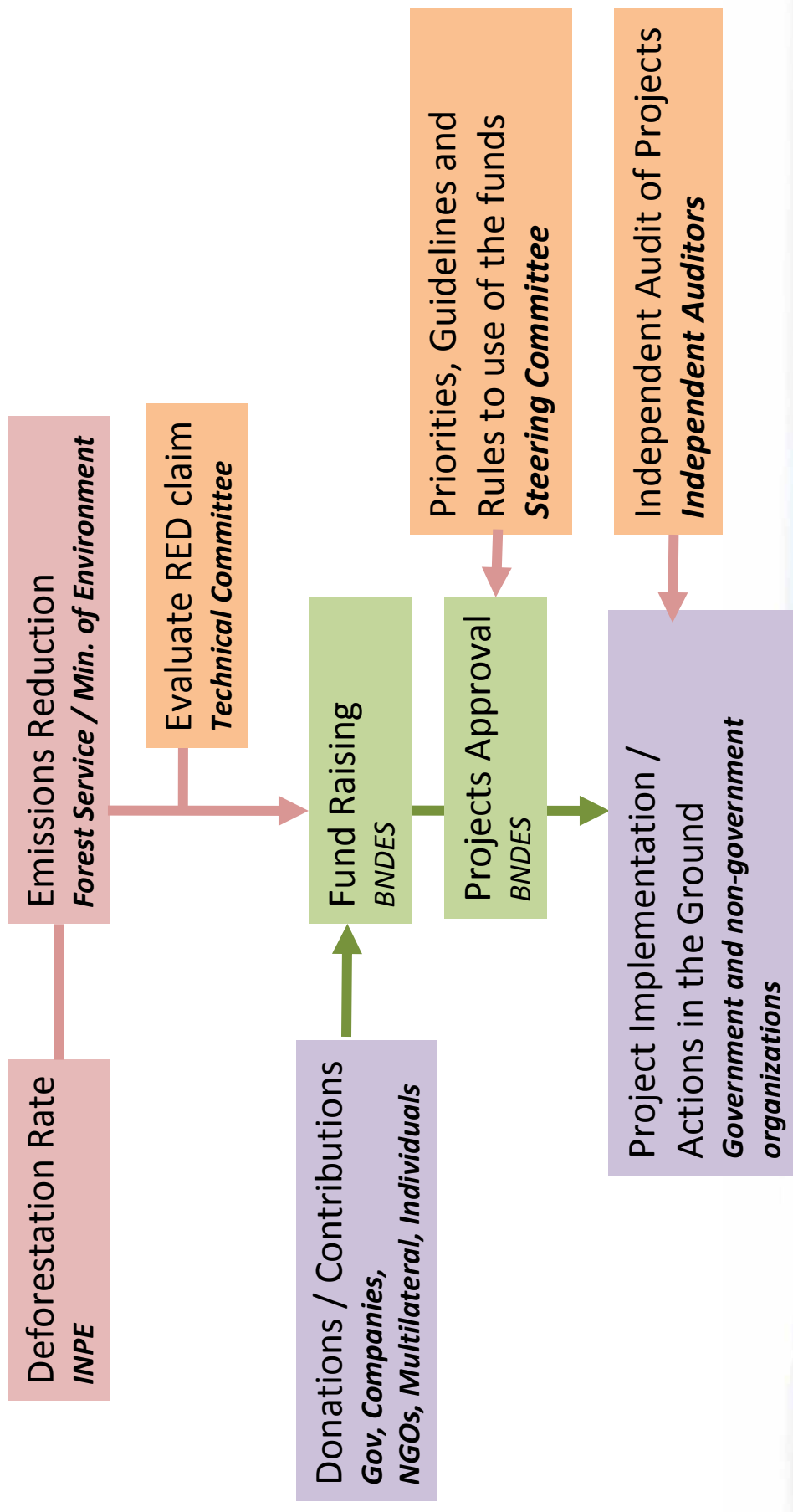
- Federal Government and Amazon State Governments
- NGOs , Indigenous People, Business Sector and Scientists

Annual independent audit of the application of the funds





Amazon Fund





Implementation

Presidential Decree creating the fund and its rules

- Technical Committee
- Management Amazon Fund Committee
- Auditing procedures
- Rules to use the funds

August 1st, 2008

Establishment of the **Committees** and definitions of the specific regulations of fund operation for grants.

October, 2008

BNDES ready to start to receive contributions to the fund

November, 2008

Start the selection and application of the Funds in projects and actions

December, 2008

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