

BRAZILIAN DEVELOPMENT BANK - BNDES

Independent auditors' limited assurance
report regarding projects supported by the
Amazon Fund

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT REGARDING PROJECTS SUPPORTED BY THE AMAZON FUND

To
Brazilian Development Bank - BNDES
Rio de Janeiro - RJ
C/o.: Mr. Nabil Moura Kadri

Introduction

We were engaged for the purpose of applying limited assurance procedures for the projects supported by the Amazon Fund with the objective of verifying the compliance of the use of financial resources disbursed to projects hired by the Brazilian Development Bank ('BNDES'), with regard to the applicable standards and guidelines and the evidence of implementation of such projects. Our responsibility is to issue a limited assurance report on the compliance of the projects supported by the Amazon Fund for 2020.

BNDES Management's Responsibilities

The management of BNDES is responsible for appropriately preparing and presenting the supporting information for the application of the financial resources disbursed to projects hired by BNDES and according to internal controls deemed necessary to allow the preparation of such information free of material misstatement, whether due to fraud or error.

Independent auditor's responsibilities

Our responsibility is to express a conclusion on the information that supports the compliance of the projects supported by the Amazon Fund in 2020 regarding the applicable standards and guidelines and the evidence of implementation of such projects. The limited assurance procedures were followed according to the Standard NBC TO 3000 - Assurance Engagement Different from Audit and Review, issued by the Brazilian Federal Council of Accounting (CFC) and to 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 historical financial information. These standards require compliance with ethical requirements, including requirements of independence, and that the engagement be performed with the purpose of obtaining limited assurance that the information that supports the compliance of the projects supported by the Amazon Fund, taken as a whole, is free of material misstatement.

The limited assurance procedures applied comprise:

- (a) Planning of the work, considering the relevance, coherence, and volume of quantitative and qualitative information;
- (b) Understanding of the methodology for analysis of the projects;
- (c) Receipt of the twenty-five (25) projects, included in Attachment I, to be examined, that had disbursements in 2020;
- (d) Verification of the projects in progress by means of analysis of documents, according to the approved schedule and activities conducted and use of resources from the Amazon Fund.

We believe that the evidence we have obtained in our engagement is sufficient and appropriate to provide a basis for our conclusion in a limited manner.

Scope and limitations

The purpose of our work was the adoption of limited assurance procedures on the criteria established by the Amazon Fund Guidance Committee (COFA) and processes adopted by BNDES for compliance with the Reference Term (TdR), regarding the Amazon Fund, not including the assessment of the adequacy of its policies, practices and performance in sustainability.

The procedures followed and pertinent analyses made were restricted to the documents made available by BNDES, which were:

- Analysis report;
- Contract of non-reimbursable financial support entered into by BNDES and the beneficiary;
- Supporting documents of possible changes in conditions of controlled operation, if necessary;
- Performance report;
- Monitoring report;
- Sustainable Amazon Plan (PAS);
- Action Plan for Prevention and Control of Deforestation in the Legal Amazon Region (PPCDAM);
- National Strategy for Reduction of Greenhouse Gas Emission Arising from Deforestation and Forest Degradation, Conservation of Forest Carbon Stocks, Sustainable Management of Forests and Increase in Forest Carbon stocks (ENREDD+); and
- Decree No. 6.527/2008.

The procedures followed in a limited assurance engagement are substantially less in scope than those followed in an assurance engagement intended to issue an opinion on the information that supports the compliance with the TdR. Consequently, they do not allow us to obtain assurance that we would become aware of all matters that might be identified in an assurance engagement intended for the issue of an opinion. Had we performed a work intended to the issue of an opinion, we might have identified other issues and possible misstatements. Accordingly, we do not express an opinion on this information.

The procedures applied do not represent an exam in accordance with the auditing standards for financial statements, and thus, we highlight that we did not verify any type of financial information, only the use of the funds disbursed to the projects hired by BNDES regarding the Amazon Fund, as per the documentation mentioned above. Additionally, our report does not provide any type of assurance regarding the scope of future information (for example: goals, expectations, strategies and projections) and descriptive information that is liable to subjective evaluation, and it does not extend to information from previous periods or information included in annual reports disclosed by BNDES.

Emphases

Due to the COVID-19 pandemic and the restrictions of movement, onsite visitations were waived for the verification of the physical evidence of the implementation of the twenty-five (25) projects, included in Attachment I, for the complete analysis of all aspects. Thus, for this step, we adopted other procedures, remotely, to comply with the guidelines, where verification alternatives were adopted so that we could validate the information.

We highlight that due to the fact that project "CAR Amazonas" is suspended, we did not receive its monitoring report, however an explanation was given by the responsible parties of the project for our understanding. Regarding project "CAR Espírito Santo", we did not receive the monitoring report, but we received the performance report to verify the execution of the project.



Conclusion

Based on the evidence obtained and the procedures adopted, we are not aware of any fact that would lead us to believe that the procedures adopted by BNDES are not in compliance, in all material respects, with the applicable standards and guidelines and the evidence of implementation of the projects supported by the Amazon Fund in 2020.

São Paulo, December 02, 2021.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

A handwritten signature in black ink, appearing to read 'Mauro de Almeida Ambrósio'.

Mauro de Almeida Ambrósio
Accountant CRC 1 SP 199.692/O-5



Attachment I

Project Name	Responsible Party (Executor)	Nature of the Executor
Prevfogo / Ibama	Brazilian Institute of Environment and Renewable Natural Resources (IBAMA)	Federal Government
Mato Grosso Sustentável	State of Mato Grosso	State
CAR Acre	State of Acre	State
Projeto de Desenvolvimento Socioeconômico Ambiental Integrado	State of Rondônia	State
CAR Bahia	Institute of Environment and Water Resources of Bahia (Inema) / State of Bahia and State Department of Environment (Sema)	State
Banco do Brasil Foundation (Phase 2) – Amazon Fund	Banco do Brasil Foundation (FBB)	Private Legal Entity (Third Sector)
Bolsa Floresta+	Foundation for Amazon Sustainability (FAS)	Private Legal Entity (Third Sector)
Consolidando a Gestão Territorial e Ambiental em Terras Indígenas	Indigenous Work Center (CTI)	Private Legal Entity (Third Sector)
Florestas Comunitárias	Tropical Forest Institute (IFT)	Private Legal Entity (Third Sector)
Mais Sustentabilidade no Campo	State of Maranhão	State
Uso de Tecnologias Sociais para Redução do Desmatamento	Interstate Agricultural Development Association (Adai)	Private Legal Entity (Third Sector)
Florestas de Valor - Novos modelos de Negócio para a Amazônia	Institute of Agriculture and Forest Management and Certification (Imaflorea)	Private Legal Entity (Third Sector)
Monitoramento Ambiental dos Biomas Brasileiros	Foundation for Science, Technology and Space Applications (Funcate) and National Institute for Space Research (Inpe)	Federal Government
Cidades Florestais	Institute for the Conservation and Sustainable Development of the Amazon (Idesam)	Private Legal Entity (Third Sector)
Plantar Rondônia	Center for Studies on Culture and the Environment in the Amazon (Rioterra)	Private Legal Entity (Third Sector)
Experiências Indígenas de Gestão Territorial e Ambiental no Acre	Acre Pro-Indigenous People Commission (CPI-Acre)	Private Legal Entity (Third Sector)
Floresta Ativa Tapajós	Center for Advanced Studies on Social and Environmental Promotion – CEAPS (Health and Joy Project)	Private Legal Entity (Third Sector)
PPP-ECOS na Amazônia Phase 2	Society, Population and Nature Institute (ISPN)	Private Legal Entity (Third Sector)
Amazônia Agroecológica	Federation of Agencies for Social and Educational Assistance (Fase)	Private Legal Entity (Third Sector)
Pacto da Floresta	Elaboration and Development of Socioenvironmental Projects – Pacto das Águas	Private Legal Entity (Third Sector)
Legado Integrado da Região Amazônica ("Lira")	Institute of Ecological Research (IPÉ)	Private Legal Entity (Third Sector)
Profisc I - B	Brazilian Institute of Environment and Renewable Natural Resources (IBAMA)	Federal Government
CAR Espírito Santo	Institute of Agricultural and Forestry Defense of Espírito Santo (IDAF)	State
Amazônia - Regularização Ambiental	Brazilian Foundation for Sustainable Development (FBDS)	Private Legal Entity (Third Sector)
CAR Amazonas	State of Amazonas	State