

GUIDELINES AND CRITERIA FOR THE APPLICATION OF AMAZON FUND RELATED RESOURCES OUTSIDE THE LEGAL AMAZON

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Guidelines for the Amazon Fund Supporting

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PREAMBLE

The Amazon Fund - as established in Decree nº 6527/2008 - can use up to twenty percent (20%) of its resources in the development of systems for monitoring and controlling deforestation in other Brazilian biomes and in other tropical countries.

A.SUPPORT IN BRAZIL, OUTSIDE THE LEGAL AMAZON

A1. WHAT CAN BE SUPPORTED

A1.1. SUPPORT IN BRAZIL, OUTSIDE THE LEGAL AMAZON

Scope

Development of systems of public domain to monitor and control deforestation in other Brazilian biomes. In this sense, Rural Environmental Registration (CAR) projects, integration of state and municipal forestry management data to the National System for the Control of the Origin of Forest Products – SINAFLOR (or another indicated by the federal government), and integration of inspection data must be considered necessarily as part of environmental control systems.

Territorial Basis

Projects must address as a priority the monitoring of the vegetation of a complete biome and control systems and consider priority municipalities for controlling deforestation in the respective biomes, when there are specific regulations issued by the Ministry of Environment and Climate Change.

Consistency with ENREDD+

Projects must demonstrate clear coherence with the National Strategy for Reducing Emissions from Deforestation and Forest Degradation, and the role of Conservation of Forest Carbon Stocks, Sustainable Management of Forests and Enhancement of Forest Carbon Stocks – ENREDD+.

Compliance with REDD+ Safeguards

The Project must demonstrate compliance with REDD+ safeguards ([Annex I of Decision 1/CP.16](#)), as well as [CONAREDD+ Resolution No. 9, of December 7, 2017](#), which adopts the interpretation of the Cancun safeguards in the Brazilian context, or a subsequent Resolution that replaces it. Such documents aim to ensure that REDD+ initiatives adequately address sensitive issues such as the rights of indigenous peoples and traditional communities, social participation, preservation of natural ecosystems, the permanence of the REDD+ results achieved and the risk of shifting pressure for deforestation and forest degradation to other areas.

National Policy for Indigenous Territorial and Environmental Management - PNGATI

Support for the implementation of territorial and environmental management plans for indigenous lands, in line with the National Policy for Territorial and Environmental Management of Indigenous Lands – PNGATI focused on the Monitoring and Control axis, especially in strengthening territorial protection, combating deforestation and recovery of forest and environmental degradation.

A1.2. THEMATIC FOCUS OF THE BIENNIUM JULY 2023- JULY 2025

The following items define the Amazon Fund's focus of action for the biennium July 2023 to July 2025 and establish additional guidelines and criteria. If these focuses have not been reviewed by July 2025, the focuses defined here will remain in effect until the immediately subsequent meeting of the Steering Committee of the Amazon Fund or until the approval of the new focuses.

Implementation of the Rural Environmental Registry (CAR) and environmental regularization

Implementation of the Rural Environmental Registry (CAR) and environmental regularization, through support to:

- a) registration and correction of the CAR of small properties or family rural possessions (up to 4 fiscal modules), settlements, indigenous and quilombola (former slaves communities) lands and territories of traditional peoples and communities.
- b) CAR analysis;
- c) support for the integration of state and municipal CAR systems to the Rural Environmental Registry System – SICAR and adaptation of complementary analysis and monitoring modules;
- d) structuring and operationalization of the monitoring of the environmental regularity of rural properties and precautionary actions (land use embargoes) and administrative responsibility for illegal deforestation and forest degradation in properties registered with SICAR.

Beneficiaries of CAR support projects outside the Legal Amazon must necessarily make a financial contribution. In projects that include states in which the Cerrado, Caatinga and Pantanal biomes represent, cumulatively, more than 40% of their territory, financial contributions of at least 10% of the total value of the project must be contributed. In other cases, outside the Legal Amazon, financial contributions of at least 20% of the total value of the project must be contributed.

Support for the implementation of the CAR and the environmental regularization of rural properties will be done primarily through cooperation with the states and municipalities, which may enter partnerships / contracts for the execution of the necessary actions, respecting the applicable legislation and the norms established by the federal government, possible support through other partners.

Deforestation monitoring systems for public use

Support for projects that contribute to the creation or improvement of systems for public use to monitor forest cover outside the Legal Amazon, also considering the identification and accounting of degraded areas and recovery of native vegetation.

Support for the implementation of the National Forest Inventory and other initiatives that may contribute to improving estimates of emissions and removals of greenhouse gases (GHG), in the context of national reports to the United Nations Framework Convention on Climate Change.

Support for protection and surveillance in indigenous lands and other traditional communities, as well as Conservation Units.

Support for the integrated computerization of state forest management data to the National System for the Control of the Origin of Forest Products – SINAFLOR (or another system indicated by the Federal Government), including authorizations for the suppression of vegetation and management plans, as well as information on embargoes of land use (including remote ones) and application of notices of environmental infraction.

Priority support for the development and/or improvement of public use systems for monitoring and controlling illegal and legal deforestation with maximum active transparency and effective social control, as well as public and participatory mechanisms for periodic evaluation of results and a public use system that guarantees the distinction between authorized and unauthorized deforestation.

Research, development, and innovation (RD&I) for Monitoring and Control

Support for the development, integration, implementation, and/or improvement of systems for monitoring land use and land cover and for controlling deforestation, forest degradation, regeneration, and fires, which aim to support public policies for preventing and combating deforestation and estimates of GHG emissions and removals from the land use sector, land use change and forests.

Support for studies, projections and simulations related to land use and land cover, which aim to support the preparation and implementation of public policies to prevent and combat deforestation and forest degradation.

A2. WHAT CAN BE SUPPORTED

A2.1. OPERATIONAL MODALITIES

Structuring Project

It is one that cumulatively meets the following criteria:

- a) contribute to the implementation of a public policy;
- b) present a resolution strategy in relation to the problem situation;
- c) demonstrate the potential for lasting and significant positive impacts;
- d) has scale in the territory (whenever the project develops its actions in the territory).

Regarding the public sector, the structuring projects may be presented by the direct and indirect federal and state public administration.

The criterion “having scale in the territory” will be considered fulfilled when the project actions cover a significant geographic area, whether it is composed of a set of municipalities, settlements or protected areas, a state planning region, the surroundings of large construction works infrastructure etc. The definition of the territorial scale must be based on the characteristics of the project and the respective public policies. Projects focusing on just one municipality may be accepted if additional criteria and commitments agreed with the Ministry of Environment and Climate Change are met.

Support for research, development and innovation projects in the Structuring Project modality should aim to subsidize the formulation or implementation of public policies and rely on the consent and/or formalization of cooperation instruments with the body(ies) responsible for public policy, depending on the nature of the activities to be carried out.

Amazon Fund Public Call

Projects selected through public calls made directly by the Amazon Fund (BNDES).

Public Call for Aggregating Partners

Support for civil society organizations and direct and indirect federal and state public administration, so that they promote public calls for projects, acting as unifiers for actions by other institutions,

including smaller ones. Such unifying institutions must demonstrate experience, knowledge and operational capacity to provide quality and scale to public calls.

A2.2. VALUES OF PROJECTS

The amount of support from the Amazon Fund for each contracted project will be at least R\$ 5,000,000.00 (five million BRL). The maximum value of a single project, when filed, must not exceed 5% of the available balance of funds not committed to projects already contracted. Situations that give rise to the allocation of resources in a project in amounts greater than this limit must be evaluated by COFA. This amount limitation will be reassessed annually by the COFA. It should be noted that this maximum value limitation does not apply to the total value of Calls.

A3. WHO MAY SUBMIT PROPOSALS

A3.1. BIDDERS AND EXECUTORS

Projects for the Amazon Fund can be submitted by various types of entities, whether bodies and entities of direct and indirect public administration; foundations governed by private law (including support foundations); civil associations; private companies; cooperatives; and multilateral institutions.

In the case of Municipalities, support will be given via Public Call or by specific program/line.

If there is an Executive Subcommittee of the Biome Deforestation Control Plan to which the project refers, the direct and indirect public administration must present the main guidelines and actions foreseen in its projects for its appreciation before being sent to the BNDES, to allow the alignment and articulation between public policies at municipal, state and federal levels.

A3.2. PARTNERSHIPS

Project must explain partnerships and the proposed institutional arrangement established, highlighting the articulation between the different actors and the collaborative governance structure.

A3.3. ADDITIONAL BIENNIUM CRITERIA: CONDITIONS OF SUPPORT TO THE STATES

Support for new projects presented by state governments will be conditioned to:

- a) that the interested state is in the process of implementing the CAR in its territory, with measurable goals and actions aimed at carrying out the analysis of the CAR, eliminating overlapping registrations with legally protected territories and monitoring, notification and administrative accountability in cases of illegal deforestation in properties registered on SICAR;
- b) in the case of states with the process of implementation and consolidation of the CAR still in its infancy, the support of the Amazon Fund must be allocated, as a priority, to projects for the implementation and consolidation of the CAR in the state;
- c) that the interested state is integrated or in a process of integrating environmental inspection data and suppression of native vegetation and forest management to the National System for the Control of Origin and Forest Products - SINAFLOR (or another system indicated by the Federal Government) and data land use embargoes (including remote ones) and other administrative sanctions to the federal system of embargoed areas.

A4. WHAT CAN BE FUNDED (SUPPORTED ITEMS)

The Amazon Fund can support the following types of investment and funding expenses:

- a) Civil Works and Installations;
- b) Machinery, Equipment and other goods;
- c) Supplies;
- d) Logistics;
- e) Human Resources and Research Grants;
- f) Consultancy and Specialized Services;
- g) Support Services;
- h) Administrative costs;
- i) Special Supports.

A5. WHAT CANNOT BE FUNDED

A5.1. SUBSTITUTION OF SOURCES

Non-replacement of other funding sources

Amazon Fund resources cannot replace other available funding sources.

Additional Resources

Projects must respect the principle of additionality to direct public budgets allocated to the areas of application of the Amazon Fund. In applying this criterion, the following aspects may be considered, among others:

- * Average direct public budget executed in the previous 2 (two) years in the public budget invested in the proposed action;
- * Variation in the budget of the responsible institution or body compared to the variation in the budget of the federative entity to which it is linked or integrated (compared to the previous year);
- o Forecast in the current multi-year government plans (PPAs).

A5.2. PAYMENTS TO PUBLIC AGENTS

Per diems, salaries or any type of remuneration may not be paid to public agents in the exercise of their public duties - such as civil servants, public employees, and others, except for the payment of scholarships or research and per diems related thereto.

A5.3. DEBT AND TAX EXPENSES NOT RELATED TO THE PROJECT

Funds cannot be used to pay taxes or duties that are not inherent and/or an integral part of the funding or investments made by the project.

A5.4. INDEMNITY

The payment of indemnities for expropriation is not supported by the Amazon Fund.

A6. WHAT MUST BE INCLUDED IN THE PROJECT

A6.1. COUNTERPART

The Project must present counterpart and/or non-financial contributions, producing a multiplier effect for the Fund's investments. The counterparts can take the form of financial resources directly invested in the project or by offering infrastructure, personnel, and other indirect ways.

A6.2. ADVERTISING AND TRANSPARENCY

The project must have a mechanism for disclosing its implementation via the Internet.

A6.3. RESULT INDICATORS

Project must define and measure result indicators directly related to the objectives of the Amazon Fund.

A6.4. SUSTAINABILITY

The project must propose strategies to sustain the project's results after implementation.

A6.5. PRIOR CONSENT FROM INDIGENOUS PEOPLES AND TRADITIONAL PEOPLES AND COMMUNITIES

Project involving indigenous peoples and traditional peoples and communities must identify which communities will be involved and prove the prior consent of these communities or their representative institutions.

A7. OTHER POINTS OBSERVED BY THE BNDES

A7.1. RELEVANCE

Projects that develop active transparency for the segregation of authorized legal and unauthorized illegal deforestation and remote mechanisms for the application of precautionary sanctions (remote embargoes on the use of illegally deforested areas) and administrative accountability with data integration with the federal system (SICAR and The Brazilian Institute of Environment and Renewable Natural Resources - IBAMA).

Projects that develop and implement long-term monitoring methodology for the National REDD+ Strategy.

A7.2. SCALE

Priority will be given to projects for public use monitoring and control systems by biome, on a permanent basis, which contribute to monitoring on a national scale and to a control system for deforestation, forest fires and fires, in accordance with prevention and control plans.

A8. TRANSITION RULE

Projects filed prior to the date of the 28th COFA meeting, including the 14 projects whose continuity was authorized at the 26th COFA meeting, as well as those filed between February 16 and July 25, 2023, will follow the rules in force at the time of their protocol.

B. SUPPORT FOR OTHER TROPICAL COUNTRIES

B1. WHAT CAN BE SUPPORTED

Scope

In other tropical countries, support from the Amazon Fund will be limited to projects that contribute to the creation or improvement of government systems for monitoring forest cover and systems for controlling deforestation. This support should take place within the scope of South-South cooperation with technology transfer from Brazilian public institutions to other tropical countries.

Forest cover monitoring systems are understood to be the application of techniques involving the processing (eg georeferencing, enhancements and classification) of images of the Earth's surface (satellite or airborne) for the purpose of mapping the cover and land use, deforestation, forest degradation and forest recovery (regeneration and reforestation), using the information produced (eg: preparation of maps, spatial analysis and statistics) to support forest management.

Deforestation control systems are understood to mean the elaboration of national strategies and action plans for the reduction of deforestation and forest degradation, the development of platforms for measuring, reporting, and verifying data on forest cover, the organization, management, and availability of information about the forest suppression process, such as management plans, authorizations, licenses, commercialization and transport guides and other forest control documents. It also includes support for the creation and improvement of traceability systems for forestry products (definition of methodologies and procedures, development of databases and information management systems).

Contribution to REDD+

Projects must contribute directly or indirectly to implement the REDD+ instrument, also considering the development of activities that contribute to the measurement, reporting and verification of emissions and GHG.

Compliance with REDD+ Safeguards

The project must demonstrate compliance with the REDD+ safeguards ([REDD+ \(Annex I of Decision 1/CP.16\)](#)) - also known as the Cancun Safeguards- that aim to ensure that REDD+ initiatives adequately address sensitive issues such as the rights of indigenous peoples and traditional communities, social participation, preservation of natural ecosystems, the permanence of the REDD+ results achieved and the risk of displacement of pressure for deforestation and forest degradation to other areas.

B1.1. THEMATIC FOCUS OF THE BIENNIUM JULY 2023- JULY 2025

The following items define the Amazon Fund's focus of action for the biennium July 2023 to July 2025 and establish additional guidelines and criteria. If these focuses have not been reviewed by July 2025, the focuses defined here will remain in effect until the immediately subsequent meeting of the Guiding Committee of the Amazon Fund or until the approval of the new focuses.

Government systems for public monitoring and control of deforestation in other tropical countries

Support for projects that contribute to the creation or improvement of forest cover monitoring systems and deforestation control systems in other tropical countries, based on South-South cooperation between Brazil and partner countries.

Development of common REDD+ methodologies for tropical countries

Support for the development of common REDD+ methodologies among groups of interested tropical countries.

Research, development, and innovation (RD&I) for Monitoring and Control

Support for the development, integration, implementation and/or improvement of systems for monitoring land use and land cover and for controlling deforestation, forest degradation, regeneration, and fires.

Support for studies, projections and simulations related to land use and land cover, which aim to support the preparation and implementation of public policies to prevent and combat deforestation and forest degradation.

B2. WHAT CAN BE SUPPORTED

B2.1. OPERATIONAL MODALITIES

Structuring Project

It is one that cumulatively meets the following criteria:

- a) contribute to the implementation of a public policy;
- b) present a resolution strategy in relation to the problem situation;
- c) demonstrate the potential for lasting and significant positive impacts;
- d) has scale in the territory (whenever the project develops its actions in the territory).

Regarding the public sector, the structuring projects may be presented by the direct and indirect federal and state public administration.

The criterion “having scale in the territory” will be considered fulfilled when the project actions cover a significant geographic area, whether it is composed of a set of municipalities, settlements or protected areas, a state planning region, the surroundings of large construction works infrastructure etc. The definition of the territorial scale must be based on the characteristics of the project and the respective public policies.

Support for research, development and innovation projects in the Structuring Project modality should aim to subsidize the formulation or implementation of public policies.

B2.2. VALUE OF PROJECTS

The amount of support from the Amazon Fund for each contracted project will be at least US\$ 2,000,000.00 (two million US dollars). The maximum value of a single project, when filed, must not exceed 5% of the available balance of funds not committed to projects already contracted. Situations that give rise to the allocation of resources in a project in amounts greater than this limit must be evaluated by COFA. This amount limitation will be reassessed annually by the COFA. It should be noted that this maximum value limitation does not apply to the total value of Calls.

B3. WHO MAY SUBMIT PROPOSALS

B3.1. BIDDERS

The project must be presented by the central government of the beneficiary country, by multilateral institutions, or even by entities of the Brazilian federal public administration, and must have the

formal consent, in the last two cases, of the central government of the country that will benefit from the actions to be developed by the project.

B3.2. South-South Cooperation

Project must explain the cooperation with a Brazilian government entity and its governance structure.

B4. WHAT CAN BE FUNDED (SUPPORTED ITEMS)

The Amazon Fund can support the following types of investment and funding expenses:

- a) Civil Works and Installations;
- b) Machinery, Equipment and other goods;
- c) Logistics;
- d) Human Resources and Research Grants;
- e) Consultancy and Provision of Specialized Services;
- f) Support Services;
- g) Administrative costs;
- h) Special Supports.

B5. WHAT CANNOT BE FUNDED

B5.1. SUBSTITUTION OF SOURCES

Non-replacement of other funding sources

Amazon Fund resources cannot replace other available funding sources.

B5.2. PAYMENTS TO FOREIGN PUBLIC AGENTS

Per diems, salaries or any type of remuneration may not be paid to public agents in the exercise of their public duties - such as civil servants, public employees and others, except for the payment of scholarships or research and per diems.

B5.3. PAYMENTS TO BRAZILIAN PUBLIC AGENTS

Per diems, salaries or any type of remuneration may not be paid to public agents in the exercise of their public duties - such as civil servants, public employees and others, except for the payment of scholarships or research and per diems related thereto.

B5.4. DEBT AND TAX EXPENSES NOT RELATED TO THE PROJECT

Funds cannot be used to pay taxes or duties that are not inherent and/or an integral part of the funding or investments made by the project.

B5.5. INDEMNITY

The payment of indemnities for expropriation is not supported by the Amazon Fund.

B6. WHAT IS MANDATORY

B6.1. COUNTERPART

The Project must present counterpart and/or non-financial contributions, producing a multiplier effect for the Fund's investments. The counterparts can take the form of financial resources directly invested in the project or by offering infrastructure, personnel and other indirect ways.

B6.2. ADVERTISING AND TRANSPARENCY

The project must have a mechanism for disclosing its implementation via the Internet.

B6.3. OUTCOMES INDICATORS

Project must define and measure result indicators directly related to the objectives of the Amazon Fund.

B6.4. SUSTAINABILITY

The project must propose strategies to sustain the project's results after implementation.

B6.5. PRIOR CONSENT FROM INDIGENOUS PEOPLES AND TRADITIONAL PEOPLES AND COMMUNITIES

Project involving indigenous peoples and traditional peoples and communities must identify which communities will be involved and prove the prior consent of these communities or their representative institutions.

B7. OTHER POINTS OBSERVED BY THE BNDES

B7.1. RELEVANCE

Countries with greater forest coverage and that have a National REDD+ Strategy.

B7.2. PREVIOUS STAGE

Prior to submission to the BNDES, international cooperation projects must be evaluated by the Ministry of Foreign Affairs (MRE) on the priority and pertinence of support, consulting the Ministry of Environment and Climate Change. Even before the presentation, the projects need to be approved by the Brazilian entity that integrates the cooperation.

B8. TRANSITION RULE

Projects filed prior to the date of the 28th COFA meeting, including the 14 projects whose continuity was authorized at the 26th COFA meeting, as well as those filed between February 16 and July 25, 2023, will follow the rules in force at the time of their protocol.