

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

last update on **06/11/2024**

Summary

1. WHAT CAN BE SUPPORTED	2
1.1. TOPICS OF ACTION IN THE LEGAL AMAZON	2
1.2. ADHERENCE TO OTHER PUBLIC POLICIES	2
1.3. THEMATIC FOCUS FOR THE JULY 2023- JULY 2025 BIENNIUM	3
1.3.1. LEGAL AMAZON – FOSTERING SUSTAINABLE PRODUCTION ACTIVITIES AXIS	3
1.3.2. LEGAL AMAZON - MONITORING AND CONTROL AXIS	3
1.3.3. LEGAL AMAZON – LAND-USE PLANNING AXIS	4
1.3.4. LEGAL AMAZON - SCIENCE, INNOVATION AND ECONOMIC INSTRUMENTS AXIS	5
1.3.4.1 Research, development, and innovation (RD&I)	5
1.3.4.2 - Economic instruments	6
2. HOW IT CAN BE SUPPORTED	6
2.1. OPERATIONAL MODALITIES	6
2.2. PROJECT VALUES	7
2.3. REQUIREMENTS FOR THE APPLICATION OF RESOURCES IN THE CASE OF PROJECTS WITH ECONOMIC PURPOSES	7
3. WHO MAY SUBMIT PROPOSALS	8
3.1. PROPONENTS AND EXECUTORS	8
3.2. PARTNERSHIPS	8
3.3. INTERVAL BETWEEN CONTRACTING AND SUBMITTING A NEW PROJECT	8
3.4. ADDITIONAL CRITERIA FOR THE BIENNIUM: CONDITIONS FOR SUPPORT FOR STATES AND MUNICIPALITIES.	9
4. WHAT CAN BE FUNDED (SUPPORTED ITEMS)	9
5. WHAT CANNOT BE FUNDED	9
5.1. SUBSTITUTION OF SOURCES	9
5.2. PAYMENTS TO PUBLIC OFFICIALS	10
5.3. TAX DEBT AND EXPENSES NOT RELATED TO THE PROJECT	10
5.4. INDEMNIFICATION	10
6. WHAT MUST BE INCLUDED IN THE PROJECT	10
6.1. COUNTERPART	10
6.2. PUBLICITY AND TRANSPARENCY	10
6.3. OUTCOME INDICATORS	10
6.4. SUSTAINABILITY	10
6.5. PRIOR CONSENT OF INDIGENOUS PEOPLES AND TRADITIONAL PEOPLES AND COMMUNITIES	10
7. TRANSITION RULE	10

1. WHAT CAN BE SUPPORTED

1.1. TOPICS OF ACTION IN THE LEGAL AMAZON

The Amazon Fund - as established in Decree No. 6527/2008 and subsequent amendments - supports projects in the following thematic areas:

- a) management of public forests and protected areas;
- b) environmental control, monitoring and inspection;
- c) sustainable forest management;
- d) economic activities developed based on the sustainable use of vegetation;
- e) Ecological and Economic Zoning, land-use planning and land-title regularization;
- f) conservation and sustainable use of biodiversity;
- g) recovery of deforested areas.

Consistency with the PPCDAm

The Project must demonstrate clear coherence and alignment with the actions foreseen in the Plan for the Prevention and Control of Deforestation in the Legal Amazon – PPCDAm.

Consistency with ENREDD+

The Project 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.

Territorial focus

Preference should be given to projects that support actions in priority municipalities to prevent, monitor and control deforestation in the Amazon, listed in the list established by Decree No. 6,321/2007, and its updates and derived norms.

1.2. ADHERENCE TO OTHER PUBLIC POLICIES

When appropriate, the project must demonstrate clear coherence with related public policies, such as:

- a) State Plans to Prevent and Combat Deforestation - PPCDs
- b) National Policy for the Recovery of Native Vegetation - PROVEG
- c) National Policy for Indigenous Territorial and Environmental Management - PNGATI
- d) National Strategic Plan for Protected Areas – PNAP
- e) National Plan for the Promotion of Sociobiodiversity Product Chains - PNPSB
- f) National Payment Policy for Environmental Services - PNPSA
- g) Priority Areas for the Conservation, Sustainable Use and Sharing of Benefits from Biodiversity – Decree 5092/2004 and regulatory MMA Ordinances

1.3. THEMATIC FOCUS FOR THE JULY 2023- JULY 2025 BIENNIUM

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

1.3.1. LEGAL AMAZON – FOSTERING SUSTAINABLE PRODUCTION ACTIVITIES AXIS

Bioeconomy of the forest and socio-biodiversity

Structuring, strengthening, and consolidating sustainable socio-biodiversity and family farming production chains, including the extractive economy, timber and non-timber forest management, aquaculture, and fishing arrangements, agroecological and agroforestry systems, sustainable tourism and technical assistance for these activities. Priority will be given to supporting projects that target family farming, indigenous peoples and traditional peoples and communities.

Recovery and recomposition of degraded and altered areas

Support for the implementation of the National Policy for the Recovery of Native Vegetation - PROVEG, especially:

- a) restoration of degraded and altered areas of small properties or rural possessions of up to 4 fiscal modules, with priority given to the implementation of PRADAs;
- b) environmental recovery in protected areas, indigenous and quilombola (former slaves' communities), lands, settlements and territories of traditional peoples and communities.

1.3.2. LEGAL AMAZON - MONITORING AND CONTROL AXIS

Monitoring and combating environmental crimes and infractions related to the dynamics of deforestation and forest degradation

Promoting the monitoring, investigation and combating of environmental crimes and infractions **directly** related to the dynamics of deforestation and forest degradation, including support for:

- a) increasing the in-person and remote inspection, investigation and combat capacity of the federal and state governments, including support for the destination of seized assets;
- b) integration of state intelligence and inspection systems with federal systems;
- c) integrated environmental, fiscal, financial, sanitary and land control and inspection actions, as well as crimes and infractions related to deforestation and forest degradation, involving public bodies from the three spheres of government;
- d) integrated computerization of state forestry inspection and management data with SINAFLOR, including authorizations to suppress vegetation and management plans;
- e) government actions to monitor, trace and control irregularities and illegalities in the mining, farming and timber chains;
- f) structuring public systems to monitor the implementation of policies to control deforestation and forest degradation, including impact assessment;
- g) Implementing plans to combat environmental crimes and infractions related to the dynamics of deforestation and forest degradation.

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 rectification of the CAR for small properties or family rural possessions (up to 4 fiscal modules), settlements, indigenous and quilombola lands and territories of traditional peoples and communities;
- b) analysis of the CAR;
- c) preparation and implementation of projects to recover degraded and altered (PRADAs) on small properties or family rural possessions (up to 4 fiscal modules), settlements, indigenous and quilombola lands and territories of traditional peoples and communities;
- d) structuring and implementing the states' Environmental Regularization Programs (PRAs) and Environmental Reserve Quotas (CRAs);
- e) structuring and operationalizing the monitoring of the environmental regularity of rural properties;
- f) developing CAR analysis and PRA monitoring modules adapted to the specificities of state environmental management, including the inclusion of deforestation authorizations granted and notices and embargoes applied;
- g) integration of the CAR with other public systems that contribute to the prevention and control of deforestation and forest degradation.

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 sign partnerships / contracts to carry out the necessary actions, respecting the applicable legislation and the rules established by the federal government, with the possibility of support through other partners.

Preventing and fighting forest fires

Support for:

- a) actions to prevent and combat forest fires, presented by government agencies from the three spheres of government or non-governmental organizations in partnership with government bodies, primarily in settlements, conservation units, indigenous lands and quilombolas;
- b) implementation of integrated fire management, by governmental agencies or non-governmental organizations in partnership with government agencies, primarily in settlements, protected areas, indigenous lands and quilombolas;
- c) integration of information on burning permits issued by states with the National Fire Information System – Sisfogo;
- d) strengthening the capacity for administrative, civil, and criminal liability for those who caused fires.

Improving and strengthening the monitoring of vegetation cover

Support for improving public-use systems for monitoring deforestation, the dynamics of land use change, forest degradation, fires, and the recovery of native vegetation in the Legal Amazon.

1.3.3. LEGAL AMAZON – LAND-USE PLANNING AXIS

Land regularization

Support for land regularization of public lands, through support for the implementation of unified public systems, integration of systems, improvement of controls, integration of land and registry bases, allocation of public lands and joint efforts for land and environmental regularization, as well as support for prior studies for planning and land regularization, among others.

Territorial planning

Support for the drawing up, reviewing and detailing ecological-economic zoning (ZEE) which will lead to an increase in protected/preserved areas and a reduction in deforestation, including training for government and civil society managers and technicians, and the formulation of action plans that provide for the application of the ZEE in other public policy instruments, such as the Multi Year Plan,

the Environmental Regularization Programs, local environmental zoning, environmental licensing, the granting of rural credit and the granting of rights to use water resources.

Support for the implementation of territorial planning, management, and governance instruments (national, regional, and local) in critical areas of deforestation and forest degradation, such as biodiversity mosaics and corridors.

Support for periodic updating of the Priority Areas for the Conservation, Sustainable Use and Benefit Sharing from Biodiversity, as provided for in Decree 5092/2004.

Support for indigenous peoples, quilombolas and traditional communities

Support for indigenous peoples, quilombolas, and traditional peoples and communities with intersectoral actions, including food security, health, culture, education, sanitation, energy, among others.

Support for the preparation and 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 and other traditional populations in socio-biodiversity territories.

Comprehensive support for indigenous health, including care outside Indigenous Lands, as a way of maintaining the way of life of indigenous peoples.

Protected areas

Support for the creation, recognition, and consolidation of protected areas (conservation units, indigenous lands, quilombola lands and other traditional populations).

Support for the formation of ecological corridors, connecting public and private lands, though, among others:

- a) creating conservation units;
- b) improving the environmental and territorial management of protected areas, including areas of permanent preservation (APP), legal reserve and restricted use;
- c) recovery of degraded areas;
- d) formalizing agreements to maintain corridors;
- e) formation and implantation of mosaics of protected areas.

Support for the recovery and maintenance of priority areas for the management of protected areas in buffer zones and for the environmental management and protection in and around indigenous lands, with the exception that support will be limited to small properties or family rural possessions (up to 4 fiscal modules).

Settlements

Support for environmental and land-title regularization of settlements.

1.3.4. LEGAL AMAZON - SCIENCE, INNOVATION AND ECONOMIC INSTRUMENTS AXIS

1.3.4.1 Research, development, and innovation (RD&I)

Promoting sustainable productive activities

Support for scientific and technological research applicable to the production chains of socio-biodiversity and sustainable family farming, for the development of new products, processes, services, and social technologies.

Monitoring and Control and Land and Territorial Planning

Support for the development, integration, implementation and/or improvement of systems for public use for monitoring land use and cover, controlling deforestation, forest degradation, regeneration, fires and generating data and information on forests and forest carbon stocks with the aim of supporting public policies to prevent and combat deforestation and forest degradation and measure GHG emissions related to the land use sector, land use change and forestry, with priority being given to those aimed at improving the technical aspects Brazil's REDD+ submissions to the United Nations Framework Convention on Climate Change.

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

Support for the development of methods to assess the indirect impact of major infrastructure projects on deforestation, to help align sectoral infrastructure plans with the goal of zero deforestation by 2030.

1.3.4.2 - Economic instruments

Promoting public procurement policies

Support for public procurement policies for products originating from forest management, socio-biodiversity, and sustainable family farming, with a view to sustaining them and increasing their scale, prioritizing projects that support family farming, indigenous peoples and traditional peoples and communities.

Economic and financial instruments aimed at the forest and socio-biodiversity bioeconomy

Support for structuring and allocation of resources for innovative economic and financial instruments aimed at structuring, strengthening, and consolidating the production chains of socio-biodiversity and sustainable family farming, including community revolving funds, business and impact investments, hybrid financial structures, among others.

2. HOW IT CAN BE SUPPORTED

2.1. OPERATIONAL MODALITIES

Structuring Project

A project that meets all the following criteria:

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

As far as the public sector is concerned, structuring projects can be submitted by direct and indirect federal and state public administration.

The “territorial scale” criterion will be met when the project’s 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 major infrastructure projects, 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, both with regard to actions to promote sustainable production activities and with regard to actions for Monitoring and Control and Land and Territorial Planning, should aim to support the formulation or implementation of public policies, and rely on the agreement and/or formalization of cooperation instruments with the body or bodies responsible for the public policy, depending on the nature of the activities to be carried out.

To accelerate the preparation and analysis of projects, the Amazon Fund will provide modules with a standard structure for specific thematic areas, containing a set of actions and budgetary guidelines to be observed. The applicant will be able to define the scale of implementation and combine modules from different thematic areas to compose the project.

Amazon Fund Public Call

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

Public Call for Agglutinating Partners

Support for civil society organizations and direct and indirect federal, state, and municipal public administration, so that they promote public calls for projects, acting as consolidators of efforts by other institutions, including smaller ones. These agglutinating institutions must demonstrate experience, knowledge, and operational capacity to provide quality and scale to public calls.

Innovative solutions

The operational modalities described here do not exclude the possibility of operating the Amazon Fund's resources through innovative solutions, including new financial and economic instruments, programs, products, and prizes, in compliance with the BNDES' Operational Policies and internal regulations, which should be presented to COFA in due course.

2.2. PROJECT VALUES

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 R\$ 150,000,000.00 (one hundred fifty million BRL). It should be noted that this maximum value limitation does not apply to the total value of Calls.

2.3. REQUIREMENTS FOR THE APPLICATION OF RESOURCES IN THE CASE OF PROJECTS WITH ECONOMIC PURPOSES

a) Project with economic purposes must necessarily demonstrate public and/or collective benefits in favor of indigenous peoples, traditional peoples and communities, settlers and/or family farmers, such as:

- Productive infrastructure, services and inputs for collective use;
- Studies and surveys with results made available to the community;
- Training and capacity building open to the community;
- Technological development with results open to the community, whenever feasible;
- Innovations that can be replicated and applied in practice;
- Other collective benefits identified in the project evaluation process.

Please note:

a.1) In the case of an RD&I project, participation in intellectual property and economic results must comply with the provisions of the Innovation Law and the laws on access to genetic heritage and, where applicable, associated traditional knowledge (Law nº 10.973/2004 and Law nº 13.123/2015, their respective regulatory decrees and subsequent applicable legislation);

a.2) Support for Private Companies should occur exclusively in the operational modalities of the Amazon Fund Public Call, Public Call by Partners or Innovative Solutions developed by the BNDES.

b) The maximum participation of the Amazon Fund in projects with economic purposes is up to 50%. This percentage may reach 100% in the case of projects supporting indigenous peoples, traditional peoples and communities, settlers, family farmers and/or vulnerable social groups.

c) In the case of projects for economic purposes with the participation of Private Companies, in addition to expenses that imply direct benefits for indigenous peoples, traditional peoples and communities, settlers and/or family farmers, expenses incurred by the Private Company for the specific purpose of meeting the project's objectives may also be supported, with direct investments in the company and the costing of its activities being prohibited.

d) In the case of economic purposes RD&I projects developed by scientific, technological and innovation institutions (ICT) in cooperation with Private Companies, in addition to expenses that imply direct benefits to indigenous peoples, traditional peoples and communities, settlers and/or family farmers, investments made for the benefit of the ICT may be supported, provided that they have the specific purpose of meeting the project's objectives, subject to the provisions set out in the item above.

3. WHO MAY SUBMIT PROPOSALS

3.1. PROPONENTS AND EXECUTORS

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

The direct and indirect public administration must present the main guidelines and actions planned in their projects to the PPCDAm Executive Subcommittee before they are sent to the BNDES, to allow alignment and articulation between public policies at municipal, state, and federal levels.

In the case of Municipalities, support will be provided via Public Call or a specific program.

3.2. PARTNERSHIPS

The Project must explain the partnerships and the proposed institutional arrangements, highlighting the links between the different actors and the collaborative governance structure.

3.3. INTERVAL BETWEEN CONTRACTING AND SUBMITTING A NEW PROJECT.

A project proponent who is not from the Direct or indirect public administration, who already has a signed contract with the Amazon Fund to support a project in the Structuring Project modality (2.1),

will only be able to file a new project in this same modality after a minimum interval of 12 (twelve) months from the date of contracting the previous project.

3.4. ADDITIONAL CRITERIA FOR THE BIENNIUM: CONDITIONS FOR SUPPORT FOR STATES AND MUNICIPALITIES.

Support for new projects submitted by state governments will be conditional on:

- a) That the interested state is in the process of implementing the CAR in its territory, with targets and actions aimed at carrying out the CAR analysis, deadlines for eliminating overlapping registrations with legally protected territories and monitoring, notification, and administrative accountability in cases of illegal deforestation on properties registered on SICAR;
- b) in the case of states that are still on the process of implementing and consolidating the CAR, the support of the Amazon Fund must be earmarked, as a priority, for projects to implement and consolidate the CAR in the state;
- c) that the interested state is integrated or in a process (with defined targets) of integrating environmental inspection data, legal suppression of native vegetation and forest management into the National System for Controlling the Origin and Products of Forestry - SINAFLOR (or another system defined by the Federal Government) and land use embargo data (including remote) into the federal embargoed areas system.

The Amazon Fund's contracts with the states of the Legal Amazon must include a contractual obligation to draw up or revise their plans to prevent and combat deforestation and forest degradation (PPCDs) if they are out of date, as well as an obligation to produce and publish an annual monitoring report on their PPCDs.

4. WHAT CAN BE FUNDED (SUPPORTED ITEMS)

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

- a) Civil Works and Facilities;
- 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 expenses;
- i) Special Support: category for budgeting special actions aimed at the project's beneficiaries, which cannot be included in the other categories, such as resources set aside for public selection of sub-projects, payments for environmental services (PSA), contribution of resources to revolving funds and of socio-environmental impact.

5. WHAT CANNOT BE FUNDED

5.1. SUBSTITUTION OF SOURCES

Non-replacement of other funding sources

The Amazon Fund's resources cannot replace other available sources of funding.

Additionality of Resources

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

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

5.2. PAYMENTS TO PUBLIC OFFICIALS

No per diems, salaries or any type of remuneration may be paid to public officials in the exercise of their public functions— such as civil servants, public employees, and others, except for the payment of scholarships or research and related per diems.

5.3. TAX DEBT AND EXPENSES NOT RELATED TO THE PROJECT

Funds cannot be used to pay taxes that are not inherent to or an integral part of the project's costs or investments.

5.4. INDEMNIFICATION

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

6. WHAT MUST BE INCLUDED IN THE PROJECT

6.1. COUNTERPART

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

6.2. PUBLICITY AND TRANSPARENCY

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

6.3. OUTCOME INDICATORS

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

6.4. SUSTAINABILITY

The project must propose strategies for sustaining the project's results after implementation.

6.5. PRIOR CONSENT OF INDIGENOUS PEOPLES AND TRADITIONAL PEOPLES AND COMMUNITIES

Projects 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.

7. TRANSITION RULE

The Projects will be analyzed by BNDES considering the rules in force at the time of their protocol.