

# Amazon Fund for Forest Conservation and Climate

## Context

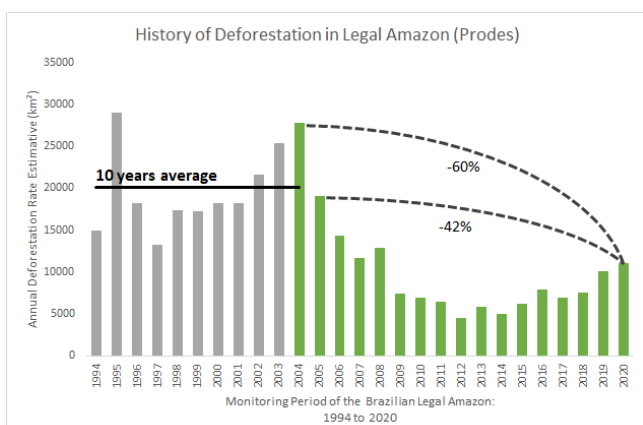
The Amazon Fund is a pioneering climate financing initiative established by the Brazilian government back in 2008. It provides funds for measures to prevent, control and combat deforestation, in addition to promoting conservation and sustainable use of resources in the Brazilian Amazon. Thus, it contributes to reducing emissions caused by deforestation and degradation of the forest in the sense of REDD+.

The fund was launched by the Brazilian government in 2008. Managed by the Brazilian Development Bank (BNDES), the Amazon Fund has raised USD 1,288,200,000, based on the success achieved in reducing deforestation in the Brazilian Amazon by 2015. In association with the benefit sharing provided by REDD+ and with a portfolio totaling 102 projects, this contribution was used in the following intervention areas provided for by the Action Plan for Prevention and Control of Deforestation in the Legal Amazon (PPCDAm): a) Territorial and Land Planning, b) Deforestation Monitoring and Control, c) Promotion of Sustainable Productive Activities and d) Science, Innovation and Economic Instruments in the Amazon. Up to 20 % of resources can be allocated to the development of deforestation monitoring and control systems throughout Brazil and in other tropical forest countries. Norway is the largest donor to the fund, at USD 1,212,400,000. Germany contributed about USD 68,100,000, made available by the Federal Ministry for Cooperation and Development (BMZ), through the

<b>Title</b>	Amazon Fund for Forest Conservation and Climate Protection
<b>German Partner</b>	German Federal Ministry for Economic Cooperation and Development (BMZ)
<b>Country</b>	Brazil
<b>Partner</b>	Brazilian Development Bank (BNDES)
<b>Financing of the cooperation</b>	German Government: EUR 9,700,000 Norwegian Government: EUR 6,500,000 (co-financing since 2015)
<b>Duration</b>	2011-2023

German development bank KfW. Brazilian oil company Petrobras has invested USD 7,700,000 so far.

The Amazon Fund aims to contribute to the achievement of National Climate Change Policy (PNMC) goals. Illegal deforestation in the Amazon region is expected to be reduced to zero by 2030, whereas the greenhouse gas emissions are expected to be curbed by 43 %. Annual deforestation rates have been reduced by 60 % in recent years, from 27,772 km<sup>2</sup> of deforested area in 2004 to 10,851 km<sup>2</sup> in 2020 – with the lowest value recorded in 2012: 4,571 km<sup>2</sup> (see the chart on the left). Since then, deforestation has been rising steadily again. After a significant increase in 2019, the deforestation rate increased again in 2020 by 7 %. The value corresponds to the largest loss of forest area since 2008.

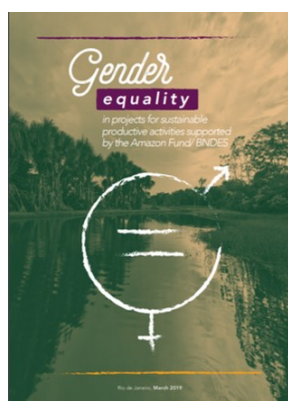


## Goal of the cooperation project

The cooperation with the Amazon Fund aims to significantly improve the implementation of national and international commitments on sustainable development and the curtailing of deforestation.

## Implementation procedures

On behalf of BMZ, GIZ advises the BNDES team responsible for the implementation of the Amazon Fund.

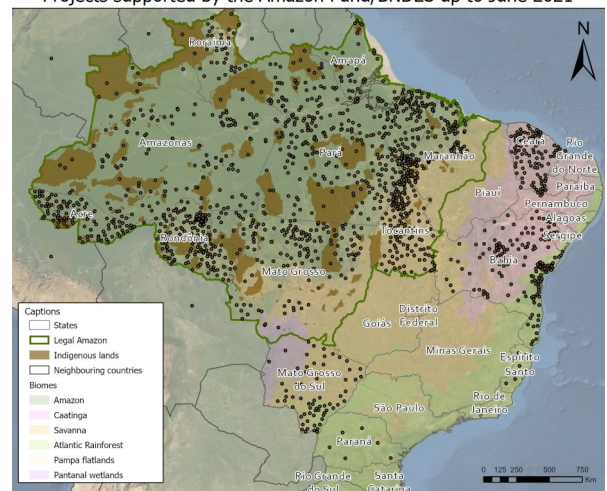


Some publications developed by the project and made available on the Amazon Fund website can be found at: <http://www.fundoamazonia.gov.br/en/home/>

## Impacts — What has been achieved so far

- A [mid-term evaluation](#) of the Amazon Fund has been carried out in conjunction with the Economic Commission for Latin America and the Caribbean (ECLAC). Covering the period between 2008 and 2018, the assessment has identified as results, among others, that the participation of civil society and the transparency in the governance structure of the Amazon Fund have been clear success factors. Collaboration with Non-governmental organizations (NGOs) and other organizational groups was instrumental in expanding the scope of the Fund, covering small local organizations and communities (e.g., indigenous peoples).
- **17 individual projects have been evaluated.** Three of these where thematic assessments in the areas of i) science, innovation and technology, ii) projects by public environmental agencies and iii) projects by military fire brigades. The evaluations analyze the impacts of projects by employing criteria established by the Organization for Economic Cooperation and Development (OECD) and by considering REDD+ safeguards and UN's Sustainable Development Goals (SDGs). Thus, they support reporting to donors, institutional learning at BNDES and project level. In 2021, thematic evaluations have focused on sustainable supply chains and the protection of indigenous peoples. All evaluation reports can be seen [here](#).
- **14 federal projects have been directly advised.** This type of consultancy contributes to the improvement of the implementation and delivery of projects. So far, it has contributed to an average increase of 30 % in the financial execution of projects and, consequently, their requests for resources to the Amazon Fund.
- **The BMZ-Covid 19 emergency aid has been made available to seven NGOs** working on behalf of indigenous peoples. The aid was aimed at ensuring the continuation of the project activities. A total of BRL 1,200,000, equivalent to USD 230,000, was disbursed for food security measures, logistics, capacity-building for health agents, acquisition of personal protection equipment and communication/awareness programmes.
- **189 project implementers have been trained.** Topics covered included project management and impact monitoring. The development of skills has taken place virtually through an online learning platform and via face-to-face workshops. In addition, [training materials](#) have been produced.
- **In the area of gender equality integration,** a gender [equality study](#) in projects for the promotion of sustainable production has been conducted, and a [video](#) on the subject has been produced. At the moment, the preparation of a Gender Action Plan is in progress.
- **International visibility and the sustainability** of the fund has been fostered. A proven lever for this so far has been support for BNDES participation in the United Nations Framework Conferences on Climate Change (COPs).
- **One of the goals of the project is to contribute to the accelerated implementation and consolidation of the project portfolio.** By June 2021, 102 projects were supported by the fund, at a confirmed total disbursement of USD 549,000,000. The Amazon Fund currently focuses on the implementation of ongoing projects. Since 2019, there have been no new project commitments as the steering structure of the fund has been undermined. Since then, work has been underway to redefine the fund's governance structure (steering committee — COFA). New commitments by the donors are suspended until then.

Projects supported by the Amazon Fund/BNDES up to June 2021



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