

Quarterly bulletin featuring news, studies and external analysis, focusing on the latest developments in the Amazon region. The mapping work for the bulletin is conducted by Catavento for Fundo Vale and companies in the Cubo business ecosystem. Prepared and curated by [Catavento](#). Distributed by [Fundo Vale](#).

CLIMATE EMERGENCY

RECENT STUDIES REINFORCE CLIMATE'S INFLUENCE ON THE AMAZON

What? According to Nature, [the biome could reach a tipping point](#) if critical thresholds are exceeded, such as rainfall volume (> 1,800 mm/year), deforestation of original cover (up to 10%), prolonged dry seasons (> five months) and an increase in average global temperature (up to 1.5°C). In this context, WWA indicates that [climate change was the main cause of the drought](#) in the Amazon in 2023, the worst in the last 120 years.

Why does it matter to the private sector? While deforestation in the Amazon causes greenhouse gas emissions, weather issues affect its ecosystem services, leading to [social and economic impacts](#).

PUBLIC POLICIES

BIOECONOMY IS BRAZIL'S G20 PRIORITY

What? During its presidency of the G20, [Brazil launched the Global Bioeconomy Initiative](#), structured around three thematic pillars: science, technology and innovation; the sustainable use of biodiversity; and promotion of sustainable development. According to data shared by the Environment Ministry, the [market potential of the Amazon's social and biological diversity is estimated at US\\$2.5 billion per year](#), and it could reach US\$8.1 billion by 2050.

Why does it matter to the private sector? The inclusion of the bioeconomy in key global discussions has the potential to boost resources and strengthen the players involved.

INVESTORS AND THE FINANCIAL SECTOR

GOVERNMENT AND MULTILATERAL BANKS WORK TO LEVERAGE CAPITAL FOR TRANSITION

What? The [Brazilian government has launched Eco Invest Brasil](#), which aims to attract foreign private investment for the country's ecological transition by reducing exchange rate risks. The program encompasses bioeconomy, green infrastructure and adaptation components. The Inter-American Development Bank, one of the initiative's partners, [announced up to US\\$5.4 billion](#) in credit lines and currency hedging for foreign investments. In addition, the [World Bank is considering](#) allocating US\$1 billion to Brazil's Climate Fund, with an initial focus on forests and waste.

Why does it matter to the private sector? New sources of funding could help unlock capital for impact businesses in the Amazon region.

Principles of Eco Invest Brasil program



Mobilize private sector capital
Scale up foreign capital for ecological transformation



Promote competition
Open up the market to financial agents



Promote public-private networks
Foster collaboration between institutions



Stimulate growth in capital markets
Promote capital markets by encouraging investment



Integrate companies globally
Deepen the integration of companies with the international financial system



Ensure best practices
Adopt best practices in program governance, accountability and impacts

PUBLIC POLICIES

DESPITE REDUCTION IN DEFORESTATION, MONITORING AND CONTROL ARE CRITICAL

What? *Deforestation in the Amazon declined by around 50% between 2022 and 2023*, thanks to the strengthening of environmental policies. However, maintaining command and control is key, since in the last 15 years, *60% of the deforested areas in the region* that managed to recover have been devastated again. In addition, *discussions in Congress could jeopardize recent advances* by allowing the exploitation of 15 million hectares of predominantly non-forest native vegetation in the Amazon.

Why does it matter to the private sector? Command and control mechanisms are crucial for preserving the ecosystems where Fundo Vale operates.

CLIMATE EMERGENCY

INDIGENOUS PEOPLE HAVE KEY ROLE TO PLAY IN FUTURE OF AMAZON

What? Despite *efforts to combat deforestation on indigenous lands*, illegal mining was responsible for the destruction of *around 1,500 hectares in these territories in 2023*, equivalent to four soccer pitches a day. Indigenous groups, who are heavily impacted by illegal activities and the *advance of organized crime*, are a *fundamental part of new solutions*, including to harness their *ancestral knowledge to develop the bioeconomy*.

Why does it matter to the private sector?

Traditional and forest peoples ought to be engaged in discussions about the sustainable future of the region, contributing to better local understanding and possible solutions.



The **downward trend in deforestation in the Amazon region has continued in 2024**, reaching its lowest rate in six years in the first two months of this year. In the first two months of 2024, 196 km² of forest was cleared, down 63% from 523 km² in the same period of 2023.



CORPORATE LEADERSHIP

AND INSPIRING INITIATIVES

INTERNATIONAL AUTHORITIES RECOMMEND HIGH-INTEGRITY CREDITS

What? Oxford University has updated its best practices guide for the use of carbon credits. For net zero targets, the *document recommends* only removal credits with a low risk of reversal, and only restoration credits with *high integrity and social and environmental co-benefits*. This view *is in line with that of SBTi*, a leader in science-based climate targets, which recommends reduction credits such as REDD+ only as additional mitigation beyond the value chain.

Why does it matter to the private sector?? Global institutions such as Oxford University and SBTi signal a preference for credits for technological solutions, making the advocacy of Brazilian nature-based solution companies critical.

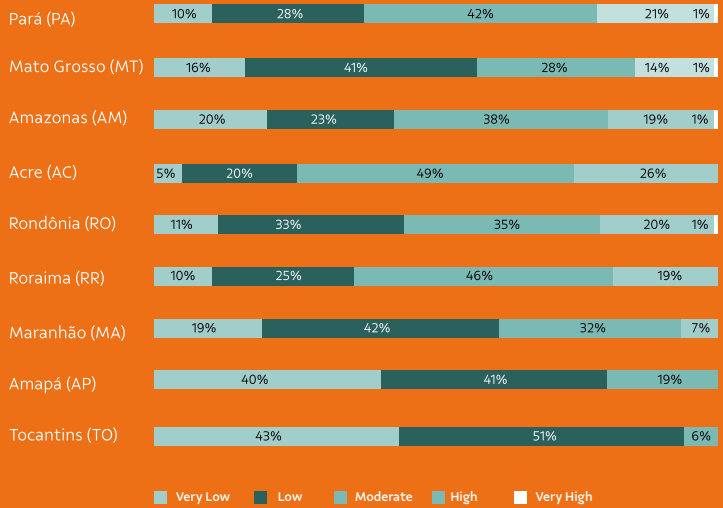
INNOVATION AND TECHNOLOGY

AI CREATES NEW WAYS OF INTERACTING WITH THE FOREST

What? The **PrevisIA platform**, supported by Fundo Vale, uses artificial intelligence to identify the areas most at risk of deforestation in the Amazon. The platform uses different indicators, such as illegal roads, land cover and socioeconomic data. At the same time, the startup Pachama uses technology and satellite images to identify **regions that could potentially supply high-integrity carbon credits**, accelerating the creation of preservation and restoration projects.

Why does it matter to the private sector? The application of technologies in the work of stakeholders in the Amazon is helping make climate mitigation and monitoring actions more efficient.

Areas at Risk of Deforestation in 2024, According to Analysis by PrevisIA %, by state



PUBLIC POLICIES

NEW REGULATORY FRAMEWORK IS KEY TO FOREST RESTORATION PROJECTS

O quê? A study points to the climatic, ecological and socioeconomic benefits of **developing large-scale restoration projects**. It also reinforces the need for regulatory improvements, while considering land tenure complexities and differences between projects. Despite these challenges, companies are mobilizing, such as the **startup re.green, which obtained the first loan from BNDES** (R\$186.7 million) as part of its **Arc of Restoration** program.

Why does it matter to the private sector? The development of regulations for restoration projects could help Vale achieve its reforestation targets.

CORPORATE LEADERSHIP

AND INSPIRING INITIATIVES

FOREST-BASED INNOVATION NETWORK ADVANCES AND GAINS PROMINENCE

What? Coordinated by Pará Federal University and Amazon Rural Federal University, the **Belém Science and Technology Park** conducts research in more than 11 laboratories and promotes businesses based on forest products, including startups focused on biodiversity and health. In this context, **AMAZ launched a call for proposals worth R\$400,000 to accelerate impact businesses** operating in the Amazon and **Idesam signed a partnership with WIT**, an incubator, to support biotechnology startups.

Why does it matter to the private sector? Strengthening the innovation ecosystem in the Amazon helps promote social and environmental solutions based on forest resources.