

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](#). Based on information mapped between October 21 and December 4, 2024.

## INVESTORS AND THE FINANCIAL SECTOR

### BIODIVERSITY FUNDING STILL INSUFFICIENT

**What?** The creation of a [biodiversity protection fund](#), the main ambition of COP16, was not agreed upon by the parties. This issue is considered critical, since many different economic activities [depend on nature to some degree](#). According to research firm BloombergNEF, approximately [55% of global GDP](#) is moderately or highly dependent on nature. In 2023, only [around US\\$200 million](#) was disbursed to [reverse the loss of global biodiversity](#), while [US\\$1 trillion is needed](#) by 2030. In this context, [Brazil is considered a hotspot](#), since the Amazon, due to its [importance in terms of natural capital](#), is considered critical for receiving resources.

**Why does it matter to the private sector?** The connection between the subject of biodiversity and the [long-term sustainability of businesses](#) is becoming increasingly evident, requiring active monitoring and efficient management of risks and opportunities.

## PUBLIC POLICIES

### BRAZIL UPDATES VEGETATION PLAN, AIMING TO RESTORE 12 MILLION HECTARES

**What?** At COP16, the Brazilian government presented a revised edition of its [National Native Vegetation Recovery Plan](#), which sets out strategies, instruments and arrangements to achieve the goal of restoring 12 million hectares of native vegetation across the country by 2030. The plan focuses on [permanent preservation areas and legally mandated minimum areas of native habitat, as well as public land and low-yield areas](#). To help [monitor progress](#) toward this goal, a [new version of the Restoration Observatory](#) was launched. So far, this initiative has only mapped 150,000 hectares of restored habitat. One of the challenges in scaling up this activity is the [issue of land tenure](#).

**Why does it matter to the private sector?** The national target underscores the priority the government places on this issue, thereby strengthening the ecosystem of stakeholders, including private sector ones, involved in reforestation and forest recovery activities.

## INTERVIEW

**The 16th Conference of the Parties (COP16) on Biodiversity took place in Cali, Colombia, in October. To discuss the main highlights of the conference, [Andrea Alvares, chairwoman of the Ethos Institute](#), gave an exclusive interview to Fundo Vale.**

### 1. What were the main achievements of COP16 and what do they mean for the Brazilian Amazon?

The 16th Conference of the Parties to the Convention on Biological Diversity, or COP16, had the theme of “Peace with Nature.” The host country, Colombia, chose this theme to inspire a meeting mainly aimed at implementing the Global Biodiversity Framework. There were some significant advances, but it was disappointing in terms of the funding agenda for biodiversity protection and its implementation mechanisms.



First of all, the approval of Article 8 of the Global Framework, which formalizes the creation of a permanent Subsidiary Body for Indigenous Peoples, Local Communities and People of African Descent, stands out. The creation of this permanent body represents a huge step forward in recognizing the contribution of indigenous peoples, local communities and Afro-descendants to the preservation of biodiversity and harmonious coexistence with nature. Another milestone was new regulations concerning the use of digital sequence information (DSI), meaning genetic sequencing data from plants and animals. A financial mechanism will be created to ensure that the benefits derived from the commercial exploitation of this data are shared fairly and equitably.

Both decisions will directly impact the Brazilian Amazon, home to an incredible diversity of plant and animal species, as well as rich cultural traditions sustained by the forest's inhabitants. For these communities, the socio-bioeconomy represents a powerful pathway for local development, offering an alternative to crime and deforestation.

## **2. How does COP16's biodiversity agenda connect with COP30 on climate, to be held in Pará next year?**

One of the major issues discussed at COP16 was the widespread realization that the climate and biodiversity/nature agendas are intrinsically connected. One issue that has been debated for some years is the integration of these agendas. At both COP16 and COP29 on climate, it was suggested that COP30 in Belém would be an ideal moment for these agendas to converge.

## **3. In your view, is there room for the private sector to contribute more to the biodiversity agenda via innovative business models?**

The Kunming–Montreal Global Biodiversity Framework, adopted at COP15, states, “Biodiversity is fundamental to human well-being, planetary health and the economic prosperity of all people. [...] We depend on it for food, health (medicines), energy, clean air and water, as well as safety from natural disasters [...] because it lies at the foundation of all life systems on earth.” That sums up the dimensions and importance of the biodiversity agenda.

There won't be any businesses unless we preserve biodiversity, as it is the basis of life on Earth. So, it's essential for this to be a cross-cutting issue on the agendas of businesses and countries, to ensure a harmonious existence and the preservation of life on our planet. The Global Framework itself guides the way to ensure this in companies' business plans. By adopting its principles, these companies can anticipate potential risks and take advantage of huge opportunities for new sources of value creation.

## COMPANIES ENGAGE IN COP16, BUT NEED TO ADVANCE MORE

**What?** Led by *global investors*, the Nature Action 100 initiative *assessed how 100 companies*, including Suzano, Vale and JBS, incorporate nature and biodiversity into their strategies. Based on 17 indicators, this analysis showed that 68 companies already have some public commitment to protection, but only 37 have strategies to achieve it. Furthermore, *there is still little information available on corporate indicators and metrics for biodiversity*. Accordingly, the Taskforce on Nature-Related Financial Disclosures was created in 2022 to develop a global reporting standard. It has announced that *500 global organizations are committed* to the initiative.

**Why does it matter to the private sector?** Companies are still not very mature at managing this complex subject. On the other hand, according to *Letícia Guimarães*, a specialist at Fundo Vale, greater pressure is expected for transparency in relation to the risks and impacts associated with biodiversity (including regarding standards such as GRI and CSR).



## BRAZIL ANNOUNCES NEW EMISSIONS REDUCTION TARGET AT COP29

**What?** Ahead of schedule, Brazil announced its *new NDC, committing to reduce its greenhouse gas emissions* by between 59% and 67% by 2035 (compared to 2005), implying net emissions of between 1.05 and 0.85 GtCO<sub>2</sub>e. The announcement was *criticized by some environmentalists* for not being fully aligned with measures required to limit the global temperature rise to 1.5°C and for a lack of detailed commitments. On the other hand, the government has indicated that more information, including sector-specific plans, will be set out in a Climate Plan. In addition to the NDC, Brazil announced a *12% reduction in gross greenhouse gas emissions* in 2023 (versus 2022).

**Why does it matter to the private sector?** Brazil is moving forward on the climate mitigation agenda and, through its *Climate Plan*, different sectors will be called on to contribute.

## COP29 SETS NEW CLIMATE FINANCE TARGET

**What?** Faced with a *challenging geopolitical situation*, developed countries agreed to lead the mobilization of *at least US\$300 billion per year by 2035*, including public and private sector resources, for emerging countries (three times the 2020 total). The new target *fell short of what was identified as necessary* to limit the global temperature rise to 1.5°C (*US\$1.3 trillion a year by 2035*), leading to the creation of a “Baku to Belém” (COP30) roadmap to *fill the gap*. The *private sector’s* contribution is considered critical to achieving the agreed targets.

### Why does it matter to the private sector?

The mobilization of *climate resources in developing countries* may leverage business opportunities related to the energy transition and forest agenda.

## CLIMATE EMERGENCY

The COP29 UN Climate Conference was held in November in Baku, Azerbaijan. There were two weeks of negotiations on critical issues on the climate agenda. [Marcelo Furtado, head of sustainability at Itaúsa and director of Nature Finance](#), who attended the conference, shares his perceptions of the event below.



### 1. What were the main outcomes of COP29 and how may they impact companies operating in the Brazilian Amazon?

We had two major results. The first relates to financing. COP29 highlighted the importance of public contributions, whether from countries or multilateral banks, while the private sector will come under strong pressure to increase its financial contribution, whether by reallocating investments, mobilizing resources or redirecting subsidies. The second highlight was the debate on the overshooting of the 1.5°C target. The scientific evidence indicates that we reached the 1.5°C limit this year, and this message has definitely entered the global debate. To comply with

the Paris Agreement, we will have to face this challenge with greater ambition and investments in mitigation. Countries and especially companies will also have to draw up robust adaptation plans.

### 2. In your view, what issues should be prioritized at COP30, to be held in Belém, Pará next year?

I believe that the adaptation agenda ought to be prioritized. This agenda made no progress at COP29, and that generated enormous pressure to define the indicators for the action plans to be established by countries, and to identify the sources and amounts needed to finance them. In Belém, there will once again be strong demands made on the private sector. It's worth noting that there has also been no progress on funding for "loss and damage," a mechanism triggered when mitigation and adaptation strategies fail. This issue will be crucial in pushing forward the just transition agenda. In addition, I believe that financing the bioeconomy will also be in the spotlight. We can celebrate the results of the G20 summit in Brazil, which positioned the bioeconomy on the global economic map through the Bioeconomy Principles and the financing of nature-based solutions. It is essential to take these advances to COP30. Finally, it is worth emphasizing that valuing nature in the global economy will strengthen Brazil's competitive and comparative advantage.

### 3. If you could define an ideal legacy for the Amazon region after the conference, what would it be and how can the private sector contribute?

The greatest legacy for the region will be to guarantee the attraction of investments in projects in the Amazon that promote a positive economy for the climate, nature and people. This will contribute to generating jobs and income, as well as enabling the creation of sustainable economic opportunities, while also helping combat the illegal economy.

## CARBON MARKETS POSE OPPORTUNITIES FOR BRAZIL

**What?** After years of negotiations, [Congress passed Law 15,042 of 2024](#), establishing a [regulated carbon market in Brazil](#) (SBCE). This law, which still requires regulations to be issued to implement it, provides for the implementation of a cap-and-trade system with room for carbon offsetting via credits, including forest credits. At COP29, after almost 10 years, an agreement was reached on [Article 6](#), which institutionalizes the UN's global carbon markets. [Further details](#) on the timetable and trading mechanisms are yet to be defined by the UNFCCC Supervisory Body.

**Why does it matter to the private sector?** Brazil has great potential for generating carbon credits, especially forest credits, and rules agreed by different stakeholders tend to bring greater confidence to activities.

## NEW PLATFORM PROMISES TO MONITOR GLOBAL ECOSYSTEMS

**What?** In addition to the need to leverage funding, it is critical to expand the [existing database on the biodiversity agenda](#). Accordingly, the [Global Ecosystem Atlas](#) is the first standardized resource to map and monitor different global ecosystems, using existing maps as well as [artificial intelligence](#), field data and local knowledge. Another innovative platform is [REDD+AI](#), which measures forest degradation caused by logging, fires and road construction in all tropical forests.

**Why does it matter to the private sector?** The development of new technologies that promote the generation of biodiversity data favors more informed decision making by companies and managers.

## BIDEN ANNOUNCES BIOECONOMY COALITION IN BRAZIL

**What?** The United States announced the [Brazil Restoration & Bioeconomy Finance Coalition](#), coordinated by the Institute for Climate and Society (iCS) and [involving different actors](#), such as the [U.S. International Development Finance Corporation](#), BNDES and Itaúsa. This initiative aims to leverage at least US\$10 billion to finance the [bioeconomy](#), especially low-carbon agriculture and forest management. Furthermore, an [IDB study](#) confirms Brazil's competitive advantages in these activities, as it already has a set of specific public policies and a relatively mature business ecosystem.

**Why does it matter to the private sector?** Brazilian companies and startups working in the bioeconomy are well positioned and can benefit from new sources of funding for these activities..

## AMAZON HOSTS EVENTS THAT MOBILIZE THE PRIVATE SECTOR

**What?** With more than 3,400 participants, the [Amazon and New Economies International Conference](#), organized by the Brazilian Mining Institute (IBRAM), brought together a [variety of stakeholders](#) from the private sector, academia, the [public sector](#) and civil society to discuss crucial issues for the sustainable development of the Amazon. Emphasis was placed on [Belém's preparations for COP30](#), including logistical challenges, local people's expectations and the legacy for the region. Meanwhile, Manaus hosted the [3rd Amazon Impact Investing and Sustainable Business Festival \(FIINSA\)](#), which brought together various startups from different areas to talk about [impact businesses in the region](#).

**Why does it matter to the private sector?** Promoting effective dialogue and active listening with different stakeholder groups represents an opportunity for more effective action in the region.