



Brazilian Biodiversity Fund

Twenty years conserving the future

| Annual Report 2016

Funbio

Programs and Projects

5	Letter from the Chairman	59	National and International Donations Unit	93	Legal Obligations Unit	109	Special Projects Unit
7	Perspectives						
9	Mission, Vision and Values						
11	In 2016	61	Arpa – Amazon Region Protected Areas Program	95	FMA/RJ – Mechanism for Biodiversity Conservation in the State of Rio de Janeiro	111	Project K – Knowledge for Action
13	Timeline	67	Kayapó Fund			115	Moore Sustentabilidade
21	20 years conserving the future	71	Amazonia Live	99	Marine Research – Project to Support Marine and Fisheries Research in the State of Rio de Janeiro	119	Juruti – Promotion of sustainable territorial development in Juriti and environs
25	In numbers	73	TFCA – Tropical Forest Conservation Act			121	Lower Negro River Mosaic – Governance and financial sustainability study on the protected areas mosaic on the Lower Negro River
31	Gender Issues	79	Probio II – Opportunity Fund of The National Biodiversity Mainstreaming and Institutional Consolidation Project	101	Franciscana Conservation – Franciscana Management Area I		
35	Funbio GEF Agency			103	Support for PAs – Conservation and Sustainable use of Biodiversity at Federal Coastal and Estuarine Protected Areas in the State of Rio de Janeiro	123	GEF Mangrove – Effective conservation and sustainable use of mangrove ecosystems in Brazil
37	Funbio	81	GEF Mar – Marine Protected Areas Project			124	Support for BIOFUND
38	How we work	83	Park Adoption Project			125	BioGuinea – Financial strategy for a protected-areas system in Guinea-Bissau
39	Where we work	85	Brazilian Pollinators – Conservation and Management of Pollinators for Sustainable Agriculture Through an Ecosystemic Approach			126	Suruí Fund
40	Organogram					127	Forestry Innovation
41	Governance	87	GEF Nutrition – Mainstreaming Biodiversity Conservation and Sustainable Use for Improved Human Nutrition and Well-being				
43	Transparency	89	Atlantic Forest – Atlantic Forest Biodiversity and Climate Change				
45	Ethics Committee						
46	Policies and Safeguards	91	Amapá Fund				
47	Who we are			105	Fauna Brazil Portfolio		
51	Library			107	Caçapava – Pecuniary Compensation for Environmental Damage Caused by the Aerovale Undertaking in Caçapava/SP		
53	In the news						
55	Financers						
129	Credits						



Álvaro Antonio Cardoso de Souza

President of Deliberative Board

From conception to maturity, Funbio's evolution was always based on collaboration and an insistence on good governance and transparency. In 1996, it was sectoral collaboration between the business world, government and civil society that gave rise to Funbio and its structure.

Today, 20 years later, Funbio is recognized as a reference for other environmental funds: in 2016, for example, we supported funds that will manage the most important Amazon conservation programs in South America.

The guidance and governance of the Deliberative Council are key to the institution's steady bearing toward significant and ambitious results. Funbio's governance excellence affords internal clarity and envisions constant and progressive improvement in operational management, which translates into tangible results. In 2016, we executed 40% more funds than in the previous year. We celebrated 22 new contracts and the arrival of three major new

donors. Expressive numbers that add up to USD 600 million in managed funds over the last 20 years, and support for 310 protected areas (PAs) during that same period.

As it turns 20, Funbio maintains the same collaborative spirit that has set it apart since its creation. 2016 was a year brightened by new partnerships, including those with Abrampa—the Brazilian Association of Prosecutors for the Environment, and the Pro-PA coalition Unidos Cuidamos (Caring Together), made up of the country's main environmental NGOs. Together, we created the Sustainable Dialogues initiative, which discusses a theme of fundamental importance: the use of environmental compensation deposits as complementary sources

of conservation funding. We hosted debates, and listened and spoke at encounters featuring representatives from the government, public prosecutors' office and civil society.

Our commitment to conservation, founded upon transparency, ethics, effectiveness, receptiveness, intellectual independence and innovation, will continue into the future, with the same unwavering focus on results. As Chairman of Funbio's Deliberative Board, I hope that the insistence on thinking big that I inherited from my predecessors can remain our modus operandi and continue to steer our work for decades to come.

“
In 2016, we executed 40% more funds than in the previous year. We celebrated 22 new contracts and the arrival of three major new donors. Expressive numbers that add up to USD 600 million in managed funds over the last 20 years, and support for 310 protected areas (PAs) during that same period.

| Letter from the Chairman

”



Rosa Lemos de Sá

Funbio CEO

| Perspectives

In 2016, we celebrated 20 years of Funbio. It really doesn't feel like that long. Time's "flown", as they say. Two decades during which the world has changed at a tremendous pace, with shrinking forests, rainless summers, more species on the verge of extinction.

Yet these have also been decades in which new technologies, such as apps, microchips and drones, were incorporated into the conservation toolkit. In Brazil, the number of Protected Areas has risen, passing the 2,000 mark in 2016, together totaling 1.5 million square kilometers. Gender issues have also gained visibility in conservation projects. So it is with advances and new challenges that we've completed two full decades conserving the future.

As an environmental fund, our focus is on efficiency, efficacy and transparency. In 2016, we celebrated a 40% increase in total sums executed,

R\$ 81 million in all. This figure has converted into benefits on the ground, at dozens of projects under Funbio's financial management, such as the Amazon Region Protected Areas Program (Arpa), which turns 15 in 2017, already a benchmark for our neighbors. Also in 2016, we exchanged information with partner funds in Colombia and Peru, countries which will be replicating Arpa, the world's largest tropical forest protection initiative, in the years to come.

Community support initiatives also advanced in leaps and bounds in 2016: Arpa achieved its target

of supporting initiatives at 30 of the 114 Protected Areas under its remit. From leadership-building to species management, these were contributions of vital importance to the program's success. The Gender Issues section of this report presents some transformative initiatives, such as the Kayapó community plot, which ensures food security for an indigenous population of 550. It's the first Kayapó Fund project 100% geared towards women.

2016 was also the year we hosted the 18th Assembly of RedLAC (Latin-American and Caribbean Network of Environmental Funds). We were

honored to receive Sebastião Salgado as keynote speaker, and his address proved a source of inspiration for the two-day encounter, during which we learned a lot from our network partners, the government and institutions like the KfW, GEF and World Bank.

We put our history to paper in the book 20 Years Conserving the Future, launched in 2016. Bring on the coming decades!

“

In Brazil, the number of Protected Areas has risen, passing the 2,000 mark in 2016, together totaling 1.5 million square kilometers. Gender issues have also gained visibility in conservation projects.

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Mission

To provide strategic resources for biodiversity conservation

Vision

To be the benchmark in enabling strategic resources and solutions for the conservation of biodiversity

Values

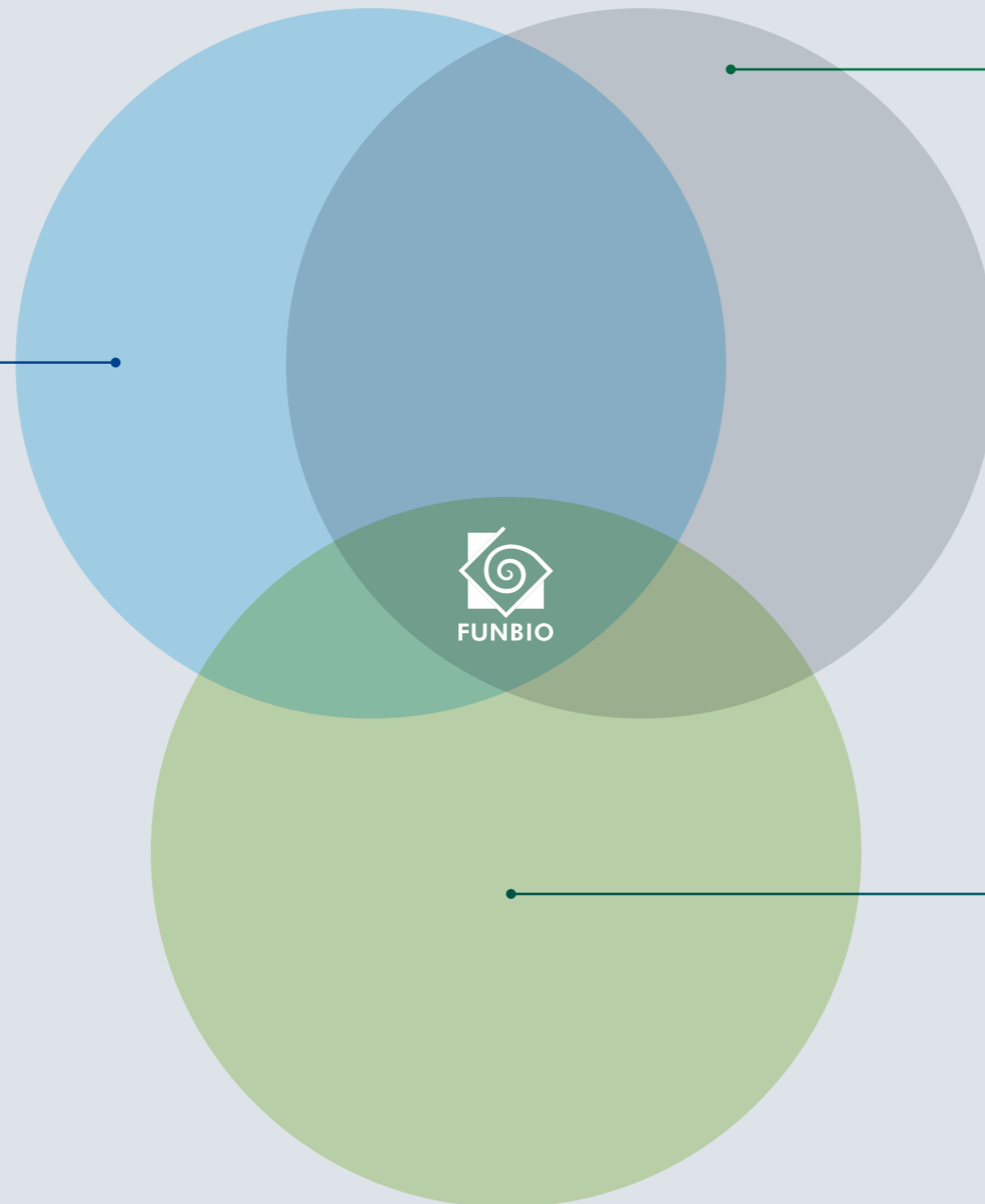
Funbio is guided by the following values:

- Transparency
- Ethics
- Effectiveness
- Receptiveness
- Independence Intellectuality
- Innovation

| In 2016

Connections

➤ Forging partnerships between different sectors is in Funbio's DNA. In 2016, we connected with partners and donors at numerous events, including the CBD's COP 13, the IUCN World Parks Congress, and the meeting of Arpa-based community projects in Manaus. We also blended conservation and music on a forest restoration project in partnership with Rock in Rio and the Instituto Socioambiental (ISA).



Celebrations

➤ In 2016 we commemorated our 20th anniversary! We also celebrated 22 new projects, while partnerships with Abrampa – Associação Brasileira dos Membros do Ministério Público de Meio Ambiente (Brazilian Association of Public Prosecutors for the Environment) and Coalizão Pró-UCs (Pro-PA Coalition) reaffirmed our vocation for dialogue and idea-sharing.

Innovations

➤ In 2009 we innovated by creating a financial mechanism for the use of environmental compensation payments at PAs. In 2016, we continued to draw momentum from new ideas: we made headway in the study of tax credit as a source of funding and worked on a new financial mechanism to trigger the forest cycle in the vicinity of major construction or development projects.

81

million reais in
executed funds,
up 40% on
2015

4

new
donors

3

new
board members

22

new
contracts

Timeline

January

In Pará, lodgings, seedlings and training

The Probio II Opportunities Fund, in partnership with the Saúde Alegria (Happy Health) project, expands the structure of its Active Forest Experimentation Center (CEFA) at the Tapajós-Arapiuns Extractive Reserve in Pará. Directly or indirectly, the Center has benefitted some five thousand families and was pivotal to the construction of a 1,000m² network of nurseries with the combined capacity to produce 200 thousand seedlings of fruit-bearing and forest trees per year.

CEFA, Tapajós-Arapiuns Extractive Reserve/Pará

February

Funbio is chosen to manage the Caçapava Conduct Adjustment Agreement (Consent Decree)

Funbio is chosen to manage the Conduct Adjustment Agreement (Consent Decree) between the São Paulo Public Prosecutors' Office and two companies. The funds will be used to draft Management Plans and produce and instal signage for two protected areas in the municipality of Caçapava: the Serra do Palmital Protected Area and the Mata da Represa Wildlife Reserve, covering a combined area of 5.8 thousand hectares.

March

A million native trees for the Amazon

Funbio, Rock in Rio and the Instituto Socioambiental (ISA) join forces on Amazonia Live, a three million-real project to plant one million trees around Xingu River headwaters in Mato Grosso. The initiative is launched in Manaus in August, at a show by Ivete Sangalo and the tenor Plácido Domingo. In November, the project plants 200 thousand trees in Bom Jesus do Araguaia, Mato Grosso, with support from the Xingu Seed Network.

Rosa Lemos de Sá and Roberto Medina at the launch of Amazonia Live in Rio de Janeiro.

Project K: 11 proposals selected

Project K announces its support for 11 proposals from RedLAC and CAFÉ members (Latin America and the Caribbean, and Africa, respectively). During Phase One, each fund received USD 20 thousand to finance the creation of a new financial mechanism. Funbio's Forest Innovation project was among those selected. In November, Phase Two got underway with five of the original eleven proposals being chosen for USD 200 thousand in project-execution funding. Innovation made the second cut and is expected to begin in 2017.

April

GEF Agency Funbio approves its first project

The GEF Board approves Funbio's first project as an accredited agency. The initiative's partners are the Ministry of the Environment, Ibama, ICMBio and the Botanical Gardens of Rio de Janeiro. The initiative will ensure that the protection of species listed as critically endangered on the Brazilian Fauna Red List is incorporated into environmental policies, such as the Cadastro Ambiental Rural – CAR (Rural Environmental Register) and the Bolsa Verde (Green Grant scheme).

The endangered Vinaceous-breasted Amazon (*Amazona vinacea*).



Timeline

May

TFCA supports new projects

The account committee for the TFCA, an agreement that commutes debt into environmental investment, adds four new projects to the three already in-course, bringing its catalogue to 89 projects overall.

Projeto Sementes Crioulas



USD 2.5 million for the Amapá Fund

Funbio and Conservation International's Global Conservation Fund (GCF) agree a USD 2.5-million donation to the Amapá Fund. The aim is to support the consolidation and maintenance of federal, state and municipal PAs and Indigenous Homelands in Amapá, the state with the best conservation track-record in the Amazon.

June

Our 20th anniversary

On World Environment Day (June 5), Funbio celebrates two decades of service to conservation and support for over 67 million hectares and 310 PAs.

In Mozambique

A Funbio team travels to Mozambique to kick start a joint effort with the consultancies GITEC (Germany) and Verde Azul (Mozambique) to set up and roll out the Mozambican Foundation for Biodiversity Conservation (BIOFUND).

Arpa reaches its community integration target

The Arpa Program achieved its goal of articulating and strengthening community organizations in 30 of the 114 protected areas it supports. The development of young leaders and fostering of sustainable management practices are among the priority activities.

Funbio team at Parque Lage, RJ.



Mozambique, Maputo Special Reserve.



Moises Nunes Pacaia, a member of the community around Chandless State Park, Acre, photographed during the encounter in Amazonas.



Timeline

July

Over R\$ 3 million earmarked for conservation in the Kayapó territory

The Kayapó Fund approves three projects geared towards environmental conservation and the protection of the Kayapó territory. The initiatives, with combined funding of R\$ 3 million over two years, were proposed by the Protected Forest Association, Raoni Institute and Kabu Institute.

Kayapó indians



Nine projects selected for research on the coasts of Rio de Janeiro and Espírito Santo

The technical committees of the Franciscana Conservation and Marine Fisheries projects announced support for two franciscana (*Pontoporia blainvillei*) conservation efforts and seven knowledge-building endeavors for the sustainable use of fisheries resources and the implementation of the Brazilian sardine Management Plan.

The Ecorals Project, supported by the Marine Fisheries program.



August

New phase of FMA/RJ has Funbio as operational manager

Funbio is selected as operational manager for the next phase of the FMA/RJ mechanism, scheduled to last five years and designed to facilitate the application of environmental compensation deposits at the state's PAs. Bradesco Bank will be in charge of the financial management.

Pedra Branca State Park – Inea, backed by FMA/RJ



September

Two decades in book form

A história do Funbio é registrada num livro. The history of Funbio is registered in a book nearly 400 pages long. After a lengthy period digging around in the archives, Funbio's past goes to print along with photos and anecdotes from its 20 years in action.

Timeline

October

Sustainable Dialogues discusses PA funding

Created by Funbio in 2006, the debates series Sustainable Dialogues is reformulated in 2016. What started off as a discussion with the private sector becomes an effort to engage the third sector and juridical specialists on the challenges and opportunities of applying legal obligations in conservation funding. Two events are held in 2016, one in Cuiabá and the other in Belém, both in partnership with the Pro-PA Coalition "Caring Together" and the Brazilian Association of Prosecutors for the Environment (Abrampa).



Sustainable Dialogues at the Public Prosecutors' Office in Belém, Pará.

November

Latin America in Brasília

Funbio hosts the 18th RedLAC Assembly in Brasília. Over the course of three days, the event draws roughly 170 participants, among businesspeople, academics, environmentalists and representatives from 19 environmental funds from Latin America and the Caribbean to discuss ideas and actions and share experiences. The photographer Sebastião Salgado delivers the opening address. The Assembly is sponsored by the Brazilian Development Bank (BNDES), with further support from TFCA Brazil and the Roberto Marinho Foundation.

Panel "The future of financing for environmental funds"



KfW donates € 10 million to the Arpa Transition Fund

KfW, the German Development Bank, donates € 10 million to the Arpa Transition Fund (TF), of which Funbio is financial manager. The TF will ensure support for PAs until 2039, when the Program will become 100% government-funded.

December

Funbio and partners at COP 13

Funbio coordinates and organizes the Brazilian Stand at the UN Biodiversity Conference, COP 13, in Cancún, Mexico. The joint effort united Funbio, the Ministry of the Environment, GIZ, Conservation International, the Grupo Boticário Foundation, WWF and the Votorantim Water Reserves Legacy. Thematic videos present the results of initiatives in protected areas and ecological corridors, and with endangered species and the bioeconomy.

Brazilian Stand at COP 13



In the wake of Rio 92, the United Nations Conference on the Environment and Development, environmental funds began to hatch all across Latin America and the Caribbean. There was a widespread eagerness to fast track the implementation of the Convention on Biological Diversity, one of the agreements signed during the historic event.

20 years conserving the future

We planted trees and wrote a book. At the vigorous age of 20, we put our story on paper and illustrated it with memories, anecdotes and outcomes recalled by our partners.

[Download a PDF of the book](#)



Funbio started with a USD 20-million donation from the Global Environment Facility (GEF). The aim was to devise a mechanism for the effective and efficient pursuit of the CBD's main goals. A multidisciplinary work group suggested the creation of a private fund, and the Brazilian government came onboard. The result was Funbio.



Our team celebrates Funbio's 20th anniversary in the heart of the Atlantic Forest.

The cover photo for the commemorations agenda appears courtesy of Sebastião Salgado, whose Bulcão Farm reforestation project received Funbio support in 2001. The ranch, in Aimorés, Minas Gerais, has become a forest-restoration icon and success story.





AÏCHA SIDI BOUNA
Chairwoman of the Board at BACoMaB – Banc d’Arguin et de la Biodiversité Côtière et Marine Trust Fund.



I had the opportunity to attend the 18th RedLAC Assembly in Brasília, and it was a thoroughly rewarding experience. As a member of the African funds network CAFÉ, I learned a lot from the more experienced funds from Latin America and the Caribbean, which have been around for twenty years. The Assembly was a great opportunity to exchange experiences, get to know each other and learn best practices and new funding mechanisms.



We celebrate our 20th anniversary alongside our “brothers” from the Latin-American and Caribbean Network of Environmental Funds at the 18th RedLAC Assembly in Brasília.



MARIA JOSÉ GONZALEZ
Executive Director – Mesoamerican Reef Fund (MAR Fund)



The 2016 RedLAC Assembly was a real hub for networking and experience sharing for environmental funds and other participants. From Sebastião Salgado’s marvelous and moving opening speech to the parallel events, the whole event was one big learning opportunity. As the moderator of the round table on Safeguards, I was able to learn a lot about the theme, get to know the specialists and understand the magnitude of the challenge the subject poses to the funds.



Sebastião Salgado: photography and a passion for conservation, speaking at the RedLAC Assembly.

In 2016, we celebrated 20 years of partnerships and results. As part of our commemorations, we published the book *20 Years Conserving the Future*, nearly 400 pages of recollections. We had the privilege to host the 18th RedLAC Assembly, in Brasília, at which we were equally honored to receive a very special guest: the photographer and environmentalist Sebastião Salgado, one of the first beneficiaries of Funbio’s support. The assembly was sponsored by the Brazilian Development Banks (BNDES), with further backing from the TFCA Brazil and the Roberto Marinho Foundation. We would like to thank all our partners for their contributions over the course of the last two decades. We could not have done it without you.



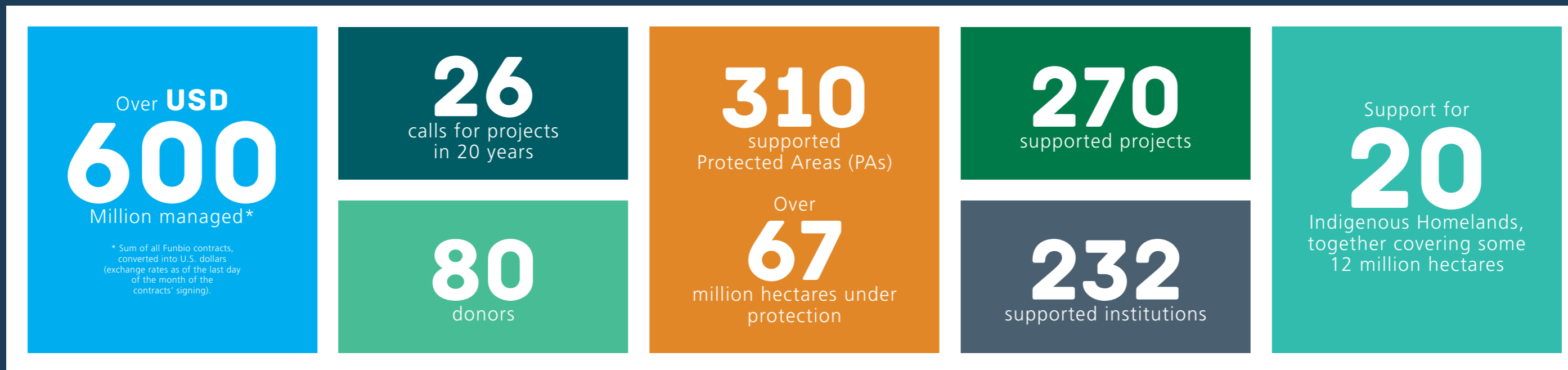
Our commemorative video, “Juntos” (“Together”), came to life online.

Watch the video here

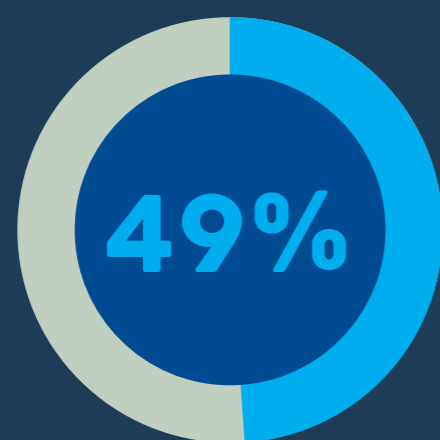
Members of the Deliberative Board and the Funbio team.



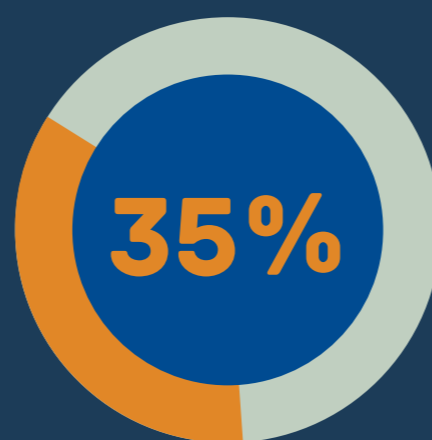
In numbers



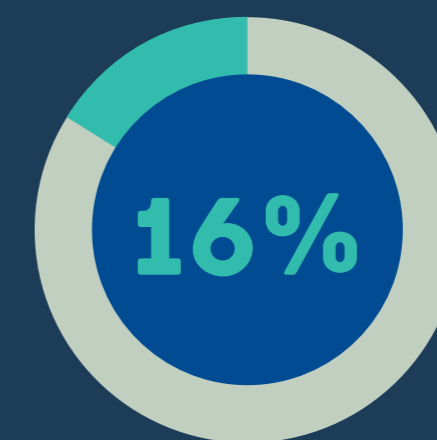
Funding Sources



INTERNATIONAL COOPERATION



LEGAL OBLIGATIONS

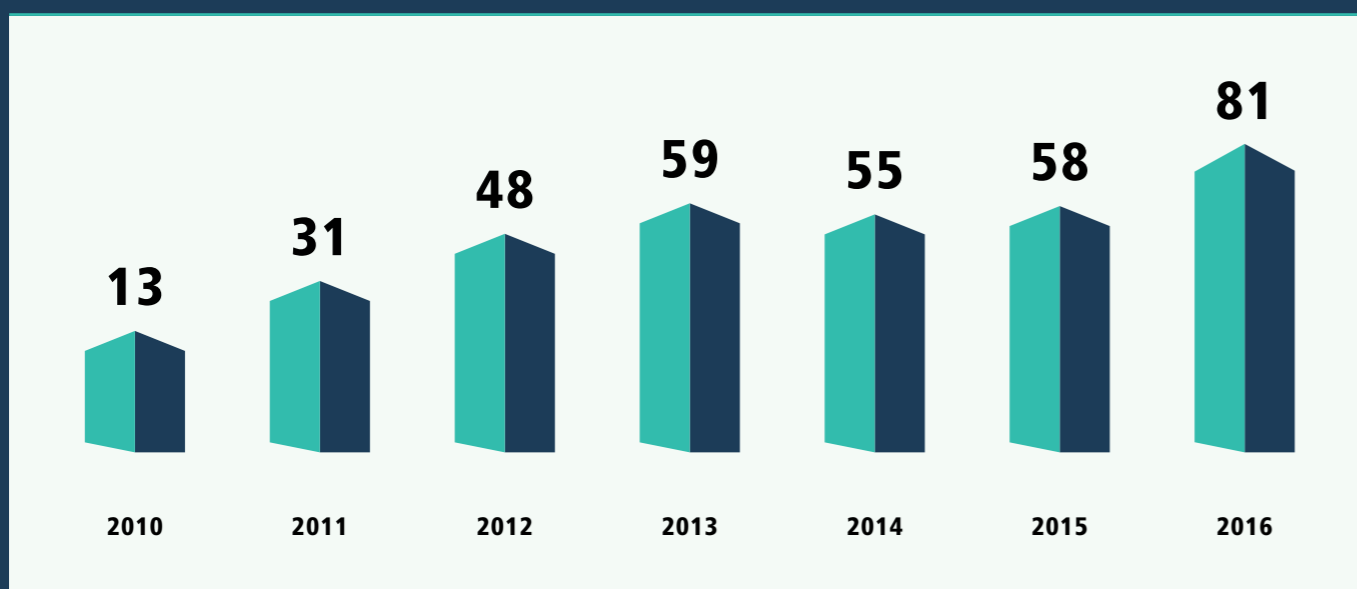


PRIVATE NATIONAL AND INTERNATIONAL DONATIONS

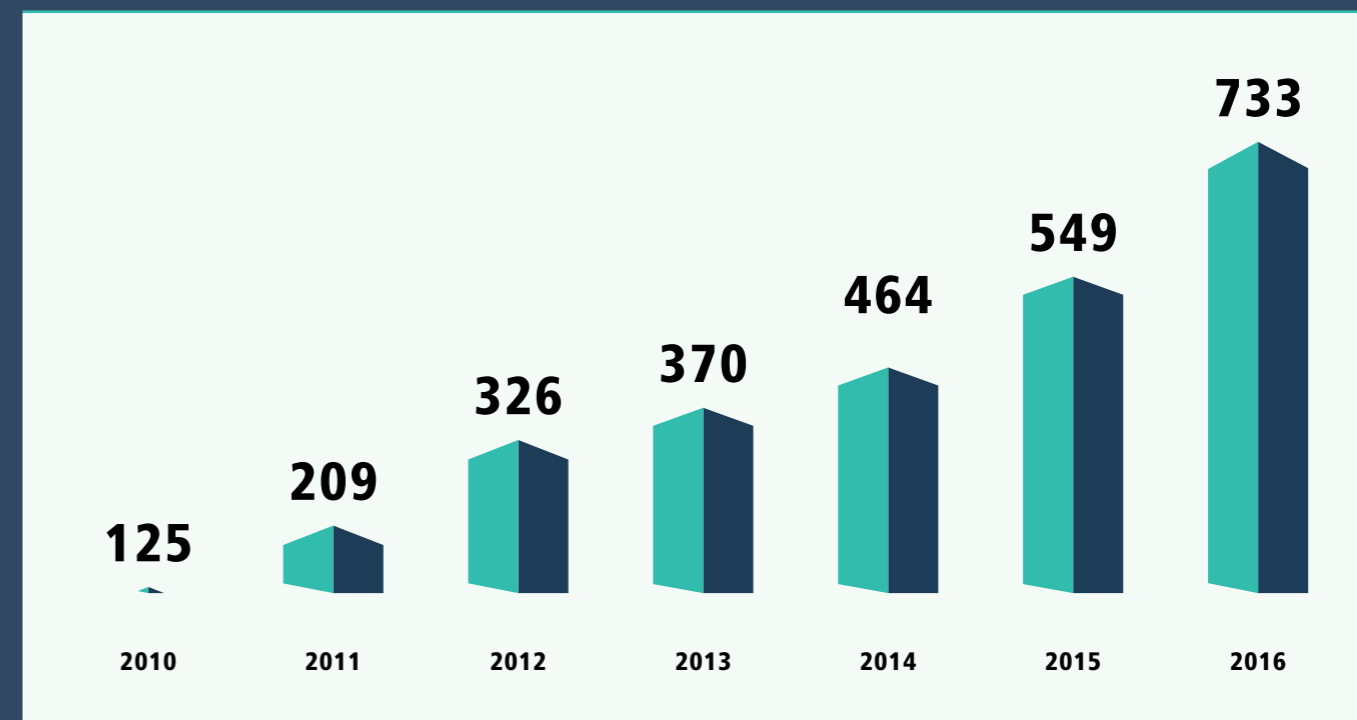
In numbers

In 2016, Funbio executed **40%** more funds than in 2015

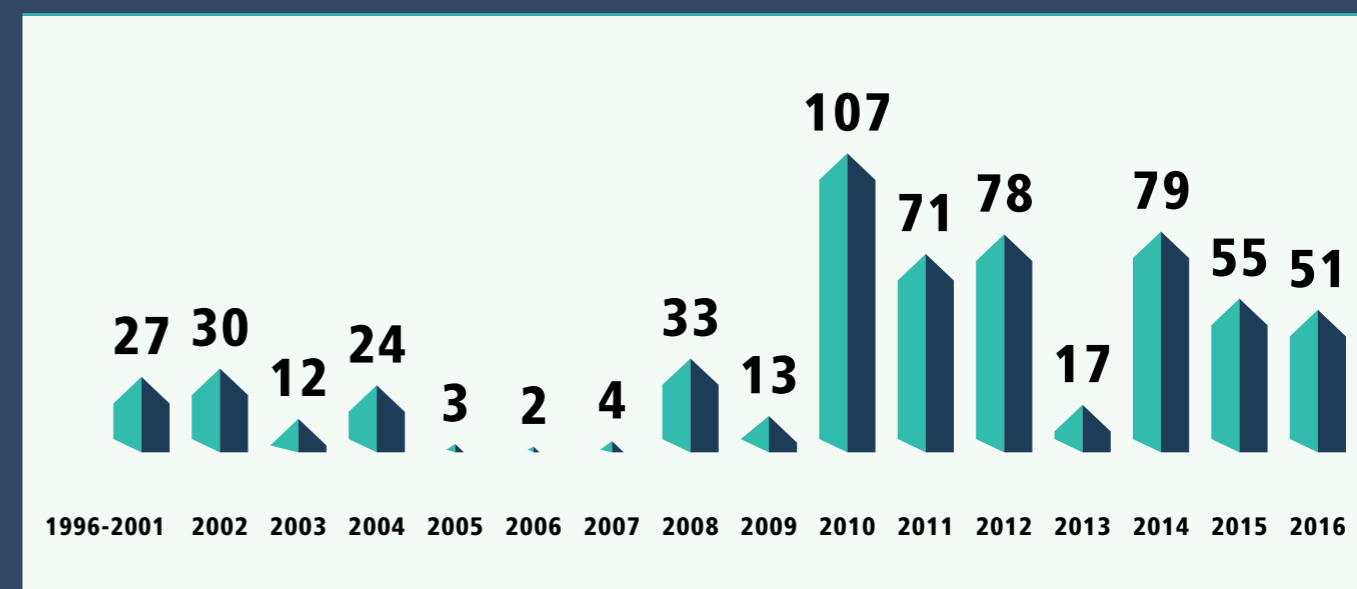
Total executed — in R\$ million



Total assets managed between 2010 and 2016 — in R\$ millions, including long-term endowment and sinking funds



Sum contracted per year — in USD million



ANDRE AHLERT

Director of the KfW's Department for Latin America and the Caribbean

The German Development Bank (KfW) is setting up a Brazil-Germany Financial Cooperation agreement, and it is a privilege for us to have Funbio as a partner in this endeavor.

Our long years of cooperation with the organization enabled us to contribute to Arpa—one of the world's most significant tropical forest protection programs—from the very beginning. We are sure that this cooperation will continue for at least another 20 years, as productively as ever.

PAULA CEOTTO

Director, CI's Americas division

When you think of conservation fund management in Brazil you think of Funbio. It was the **obvious choice**.

GUILLERMO CASTILLEJA

Board member of the Gordon and Betty Moore Foundation

There is no doubt that Arpa is the most advanced systemic approach to tropical forest protection in the whole world. It has set the standard for other countries to follow.

Funbio is in many ways the key for the success of this most ambitious program. Without the solidity of Funbio, Arpa would have not happened.

Funbio has an immense talent for **innovation**. It arrives at each assembly and surprises us all with novel ideas. From the preliminary outlines for RedLAC to the present day, they've been one of the Network's most consistent leaders. I'm a fan.

Today, the **Terra Institute** has helped reforest over 7.5 million hectares in Minas Gerais and Espírito Santo. Our nursery has produced over four million seedlings. **Funbio was extremely important to us on various fronts.** It believed in us, and made the Terra Institute a possibility. Their support was not only beneficial to the institute, but to the region as a whole.

Go the distance, that should be our motto.

Funbio has a unique model of governance, which gives it a vital riches analogous to that which sets Brazil's natural environment apart: **diversity**. This allows us to make more precise decisions better aligned with the welfare of society as a whole. **The organization is an example of articulation between various sectors** in pursuit of very necessary change.

LORENZO ROSENZWEIG

Director, Mexican nature conservation fund (FMCN)

LÉLIA SALGADO

Co-founder of the Terra Institute with SEBASTIÃO SALGADO

ÁLVARO ANTONIO CARDOSO DE SOUZA

Interview, President of Deliberative Board

GUILHERME LEAL

Founding partner and co-chairman of Natura Cosmetics. Chaired the Funbio Board between 2006 and 2009.

In 2016, Funbio supported income generation, empowerment and capacitation projects that brought gender issues into the foreground.

| Gender Issues

Though over half of the Brazilian population and 37% of its breadwinners are female (according to census bureau data), women throughout urban and rural Brazil—as in many other countries—bear the daily and historical burden of gender inequality. Support for these projects helps draw attention to the challenges our women have to face each day. The Opportunity Fund Probio II, the Kayapó Fund and TFCA are all financially managed by Funbio, and they support proposals that tackle gender issues head-on. In 2017, a new project kicks off that will study the invisibility of fisherwomen on the Rio de Janeiro coast.



Fostering Women

The Active Forest Experimentation Center (CEFA), part of the Health and Happiness project at the Tapajós-Arapiuns Extractive Reserve, is under Funbio management. CEFA supports a training project for enterprising women who, once registered, receive backing from the Fostering Women program, a credit supply line set up in 2015 by the Special Secretariat for Smallholder Agriculture and Agrarian Development (SEAD). The program awards up to R\$ 3 thousand in loans to production projects managed by women.

In 2016, 80 such projects received support, and over half of these were approved for SEAD credit. Projects were approved in various areas, such as small-scale livestock farming, herb gardens, beekeeping and honey production, and local commerce and services (sewing, manicure, bakery, etc.)

MORE ON PROBIO II ON PAGE 79



Women's Farm

Menire Nhô Puro – The Women's Farm (pet name for the Mebengokré/Kayapó Food and Nutritional Sustainability Project) aims for improved quality of life for Kayapó families, amongst which the consumption of processed foods is widespread. The project, in implementation phase, involves the syndicated farming of foodstuffs on a 13-hectare plot. "During the first phase, women and children will take part in workshops on concepts such as food security", says Karina Paço, project coordinator with the Raoni Institute. Technical training and diversified production should result in surplus yields which the women—48% of the village population—can then sell. In addition to the Kayapó Fund, the Ekos Brazil Institute is supporting the initiative, which will benefit 600 people (Kayapó) in the region.

MORE ON THE KAYAPÓ FUND ON PAGE 67



Backing Attalea-palm Coconut Breakers

In roughly 60 municipalities throughout the states of Tocantins, Piauí, Maranhão and Pará, the TFCA supports the project Backing Attalea-palm Coconut Breakers, a women's movement with an Interstate Association. The idea is to train the women so that they can avail of opportunities presented by public purchases and the Minimum Price Guarantee Policy for Sociobiodiversity Products (PGPM-Bio), offered by the Special Secretariat for Smallholder Agriculture and Agrarian Development. The PGPM covers the shortfall between the price attalea-palm almonds sell for on the regional market and the minimum price stipulated by PGPM-Bio. As of November 2016, 64 women had signed up with the program, receiving a combined subsidy of R\$ 81 thousand.

MORE ON THE TFCA ON PAGE 73

In 2015, Funbio became the Global Environment Facility's first accredited project agency in Latin America and one of only 18 worldwide. Funbio is the only civil-society institution in the Southern Hemisphere to have received GEF accreditation.

In 2016, Funbio had its first Agency project approved by the GEF Board. Entitled Pro-Species, the project's main aim is to have the protection of species listed as critically endangered on the Brazilian Fauna Red List incorporated into environmental policies, such as the Cadastro Ambiental Rural – CAR (Rural Environmental Register) and the Bolsa Verde (Green Grant scheme).

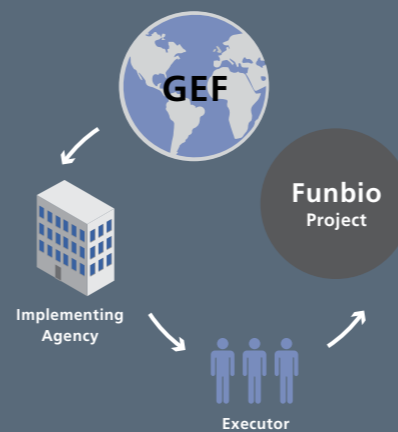


Amazonian National Park, Pará, ICMBio

Funbio GEF Agency

1996–1999

The GEF donates USD 20 million to the Brazilian government to foster the creation of a mechanism to support conservation projects in the country. The World Bank was the implementing agency and the Getulio Vargas Foundation (FGV) was the executing agency



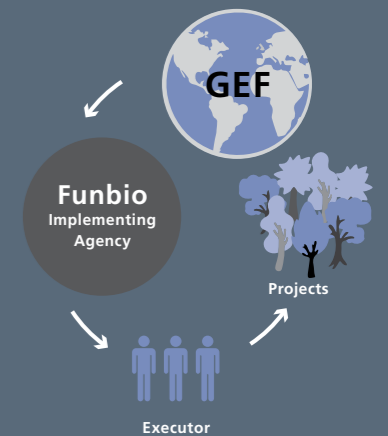
2002

In the following years, Funbio was the executing agency of several GEF projects in Brazil. Funbio provided financial management and procurement for the projects



2015

In February, Funbio was accredited as a GEF implementing agency. It is the first national implementing agency in Latin America



| Funbio

The Brazilian Biodiversity Fund (Funbio), founded in 1996 on the strength of a USD 20-million donation from the Global Environment Facility (GEF), was created by the Federal Government and representatives from academia, civil society and the business community.

Together, this group recommended the creation of a private financial mechanism to help implement the Convention on Biological Diversity (CBD), signed by Brazil and 193 fellow signatories at Rio-92.

For the last 20 years, Funbio has partnered these sectors in tackling challenges and developing new mechanisms for environmental funding and project management across three units:

National and International Donations

Projects financed with private donations and resources from bi and multilateral agreements with the Brazilian government.

Legal Obligations

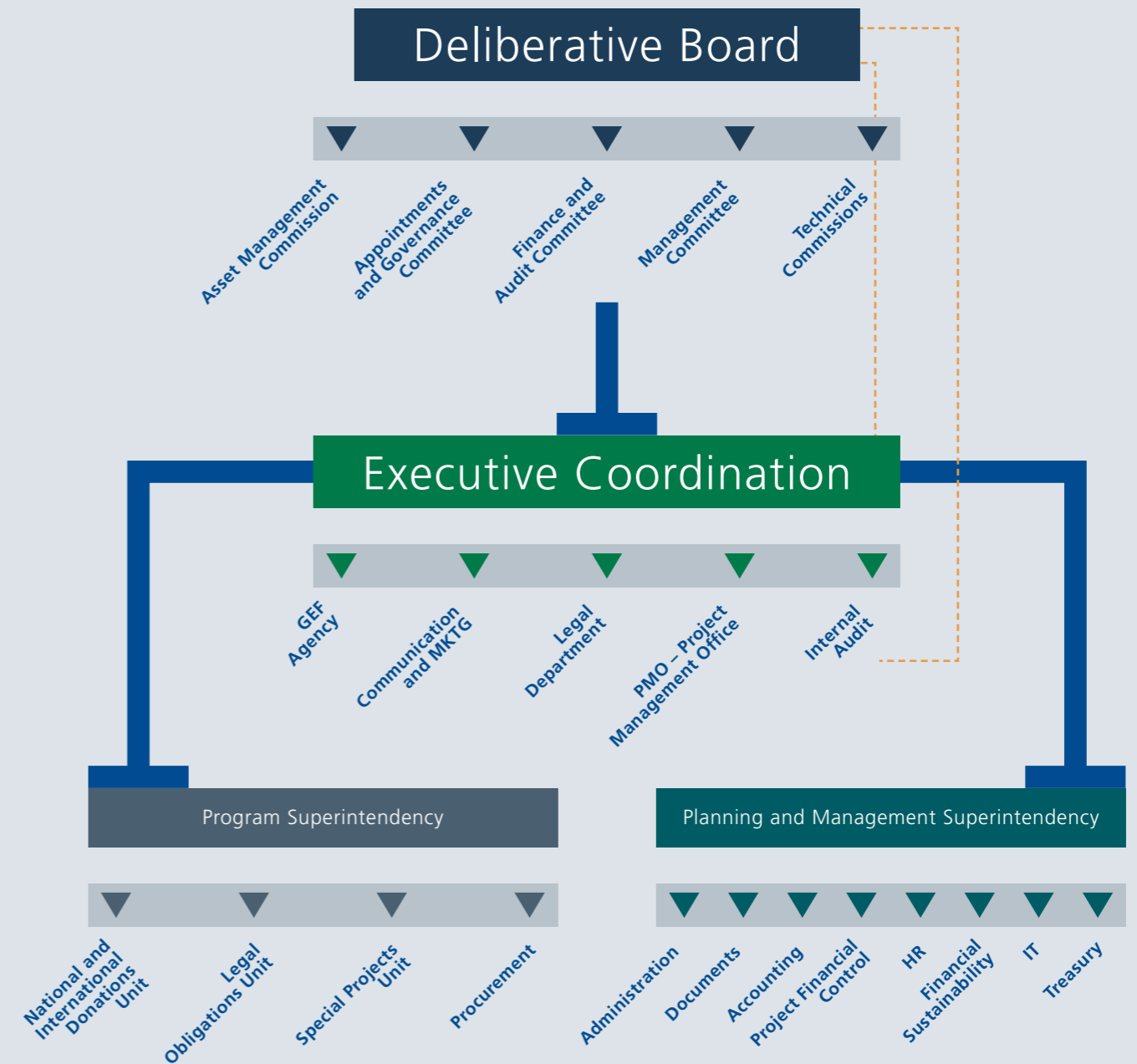
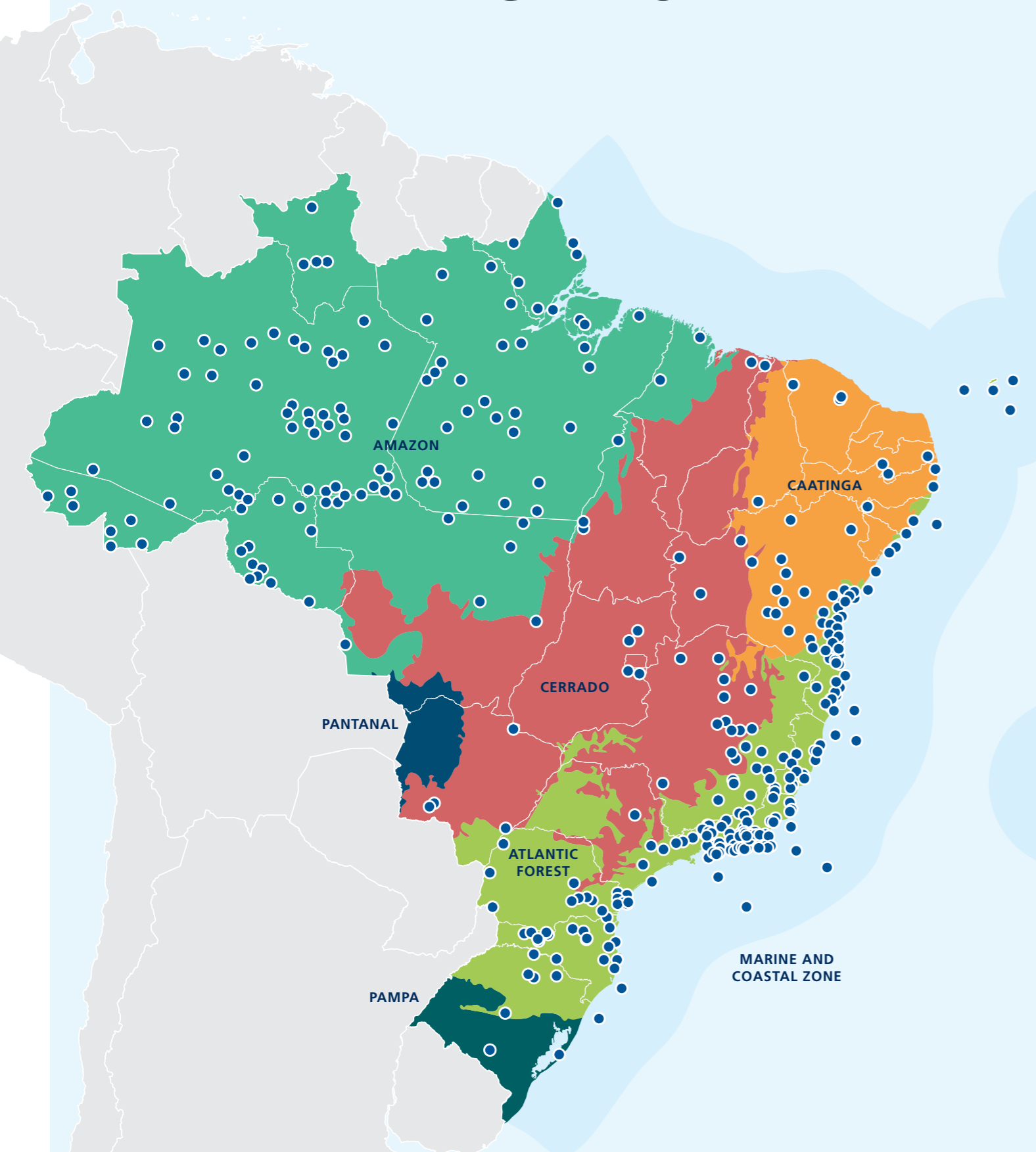
Projects financed through legal obligations, such as environmental compensation deposits, offset measures, commuted fines, and environmental licensing conditions formalized through terms of commitment or conduct adjustment agreements (consent decrees).

Special Projects

This area works with financial environment diagnoses and the design of mechanisms and instruments that enable access to new and otherwise limited-access funding sources.

| How we work

Where we work



Organogram

Governance



The Deliberative Board (DB) consists of 16 members drawn from academia, the business world, government and the environmental sector. The DB is responsible for Funbio's general management and convenes three times a year to decide the institution's strategic direction.

In 2016, five mandates came to an end and three began. The outgoing board members were Didier Pierre Tisserand, from L'Oréal Brasil, Luiz Gabriel Todt de Azevedo, from the

construction company Norberto Odebrecht S.A., Ana Cristina Fialho de Barros, from the Ministry of the Environment, Cláudio Carrera Maretti, from Instituto Chico Mendes de Conservação da Biodiversidade (ICMBio) and Rômulo Fernandes Barreto Mello (*in memoriam*), also from the ICMBio. Joining the Board were Fábio Rubio Scarano, from the Brazilian Sustainable Development Foundation – FBDS, José Pedro de Oliveira Costa, from the Ministry of the Environment, and Ricardo José Soavinski, from the ICMBio.

Members of the Deliberative Board, 2016

Chairman

Álvaro Antonio Cardoso de Souza

Vice-chairwoman

Danielle de Andrade Moreira

Academia

Danielle de Andrade Moreira

Pontifícia Universidade Católica do Rio de Janeiro (PUC-Rio)

Fábio Rubio Scarano

Brazilian Sustainable Development Foundation –
FBDS (as of August 2016)

Ricardo Bonfim Machado

Universidade de Brasília (UnB)

Sérgio Besserman Vianna

Instituto Municipal de Urbanismo Pereira Passos

Environment

Adriana de Carvalho Barbosa Ramos

Instituto Socioambiental (ISA)

Maria José Miranda Cabral Gontijo

Instituto Internacional de Educação do Brasil (IIEB)

Miguel Serediuk Milano

Instituto Life

Paulo Roberto de Souza Moutinho

Instituto de Pesquisa Ambiental da Amazônia (IPAM)

Business community

Álvaro Antonio Cardoso de Souza

AdS – Gestão, Consultoria e Investimentos Ltda.

Didier Pierre Tisserand

L'Oréal Brasil (until November 2016)

José de Menezes Berenguer Neto

JP Morgan

Luiz Gabriel Todt de Azevedo

Construtora Norberto Odebrecht S.A. (until July 2016)

1 vacant chair

Federal government

Ana Cristina Fialho de Barros

Ministry of the Environment (MMA) (until April 2016)

Andrea Ferreira Portela Nunes

Ministry of Science, Technology and Innovation (MCTI)

Cláudio Carrera Maretti Instituto Chico Mendes de
Conservação da Biodiversidade (ICMBio) (until June 2016)

José Pedro de Oliveira Costa Ministry of the
Environment (MMA) (as of June 2016)

Marcelo Moises de Paula Ministry of Planning,
Budget and Management (SEAIN/COGEX)

Ricardo José Soavinski Instituto Chico Mendes para
a Biodiversidade (ICMBio) (as of November 2016)

Rômulo Fernandes Barreto Mello Instituto
Chico Mendes para a Biodiversidade (ICMBio) (until June 2016)

— *in memoriam*

Finances and Audit Committee

Álvaro Antonio Cardoso de Souza

José Augusto Alentejano

Luiz Gabriel Todt de Azevedo (until July)

Asset-management Committee

Álvaro Antonio Cardoso de Souza

Artur Wichmann

Bruno Mariani

Francisco José Aguiar de Cunto

Gabriel Amado de Moura

Jose Augusto Alentejano

Marcelo Tomaszewski

Funbio's structure ensures absolute transparency in the way the resources it receives are optimized and invested in conservation projects.

| Transparency

External Audit

Since its operations began in 1996, Funbio has undergone annual independent external audit, and every year our statements have been approved without reservations.

Our demonstration of accountability dated December 31, 2016, along with the independent auditor's report and explanatory notes issued by Grant Thornton, are available for consultation at:

www.funbio.org.br/transparencia/auditoria



Amazonian National Park, Pará, ICMBio

Internal Audit

In 2013, Funbio set up an internal auditing area that undersigns all aspects of control and vouches for the integrity of all financial data issued by Funbio.

As an independent umbrella function, the internal audit is an instrument that scrutinizes all levels of the organization, ensures that appropriate relations are maintained among the different areas, and supports and promotes process improvements. It is a reference in the adoption and engagement of best practices in organizational governance.

| Ethics Committee

Funbio's Ethics Committee was set up in 2013 as part of a suite of initiatives to ensure governance and transparency. The Committee consists of four members appointed by the Secretary-General: one from the Legal Department, one from Human Resources, and two from institutional areas. The Committee's aim is to certify compliance with the norms set forth in Funbio's Code of Ethical Conduct and other related policies.

In 2016, the Committee took charge of the ethics training administered by an external consultancy since 2013. Upwards of 90% of the assessment surveys collected at the end of the activity were scored "good" or "very good", the highest of five possible grades.

During the same period, the Committee received, assessed and ruled on four breach of ethics cases. Funbio has two channels for clarifications and denunciations.

www.funbio.org.br

Uatumã Sustainable Development Reserve
(Uatumã SDR), Amazonas, SEMA/AM



| Policies and Safeguards

In 2013, Funbio adopted institutional safeguards and policies that establish the principles we work to. The related documents are available for consultation on our website:

www.funbio.org.br

- Environmental
- Gender
- Indigenous Peoples
- Pest and Plague Management
- Natural Resource Management
- Resettlement
- Social

Who we are

Secretary-general's Office

Rosa Maria Lemos de Sá (CEO)
Eliane Estevez Suarez Villela (assistant)

GEF Agency

Fábio Heuseler Ferreira Leite

Internal Audit

Alexandra Viana Leitão

Legal Department

Flavia de Souza Neviani (legal manager)

TEAM

Mateus de Castro Almeida
Paulo Miranda Gomes

Communication & Marketing

Helio Yutaka Hara
(Communication and Marketing coordinator)

TEAM

Flávio Soares Rodrigues
Samira Chain Nascimento

Projects Management Office (PMO)

Mônica Aparecida Mesquita Ferreira

Programs Superintendency

Manoel Serrão Borges de Sampaio
(superintendent)

National and International Donations Unit

Fernanda Figueiredo Constant
Marques (coordinator)

TEAM

Alexandre Ferrazoli Camargo
Clarissa Scofield Pimenta
Daniela Torres Ferreira Leite
Danielle Calandino da Silva
Filipe da Cunha Mosqueira

(up until May 2016)

Ilana Parga Nina Boetger de
Oliveira

Maria Rita Olyntho Machado

Mayne Assunção Moreira

Nathalia Dreyer Breitenbach Pinto

Paula Vergne Fernandes

Thales Fernandes do Carmo

Legal Obligations Unit

Erika Polverari Farias (coordinator)

TEAM

João Ferraz Fernandes de Mello
Laura Pires de Souza Petroni
Mary Elizabeth Lazzarini Teixeira
Natalia Prado Lopes Paz Travassos
Rodolfo Cabral Costa Gomes Marçal

Special Projects Unit

Leonardo Geluda (coordinator)

TEAM

Andreia de Mello Martins
Anna Beatriz de Brito Gomes
Carine Szneczuk de Lacerda
Julia Mello de Queiroz

(up until January 2016)

Leonardo Barcellos de Bakker

Suelen Jorge Felizatto Marostica

Karine Barcelos (until February 2016)

Procurement Unit

Fernanda Alves Jacintho (coordinator)

TEAM

Alessandro Jonady Oliveira
Alvaro Pacheco de Oliveira
Ana Lucia Oliveira dos Santos
Cristiano Batista dos Santos

(up until October 2016)

Flavio do Sacramento Miguel

José Mauro de Oliveira Lima Filho

Juliana La Terza Penna

Marcelo Bitencourt da Fonseca

Maria Bernadette da Silva Lameira

Pedro Henrique Silva de Freitas

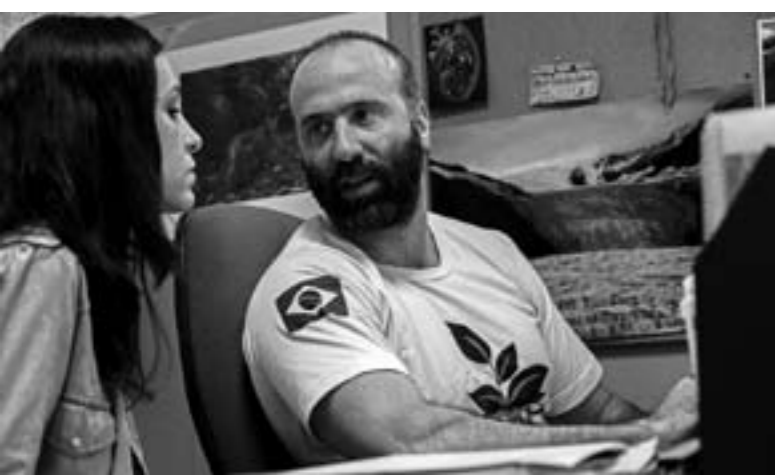
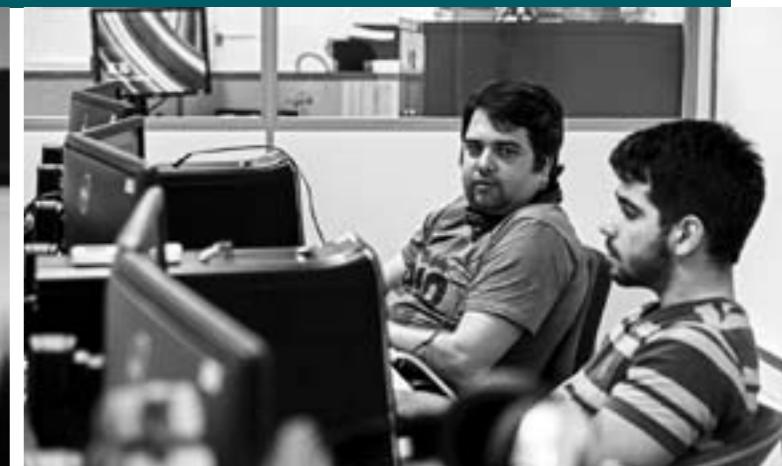
(up until September 2016)

Vinicius Chavão da Cunha de Souza

Viviane dos Santos da Silva

Willian dos Santos Edgar

Funbio Team



Who we are

 54  41

In 2016, **54 women** and **41 men** worked with Funbio, among full-time staff and interns.

Planning & Management
Aylton Coelho Costa Neto
(superintendent)

Administration
Flávia Mol Machado (supervisor)

TEAM
Cláudio Augusto Silvino
Luciana Mendes Bresciani
Marcio de Vasconcelos Maciel
Matheus Duarte Ramos

Center of Documentation
(Cedoc)
Danúbia Moura Cunha (supervisor)

TEAM
Natália Corrêa Santos

Accounting
Daniele Soares dos Santos Seixas
(coordinator)

TEAM
Ana Maria Rodrigues Ramos
Flávia Fontes de Souza
Priscila Pontes de Brito

Controle Financeiro de Projeto
Marilene Vieiro (coordinator)

TEAM
Ana Carolina Barros de Araujo da Silva (until April 2016)
Ana Paula França Lopes
Felipe Augusto de Araujo Camello
Felipe Dias Mendes Serra
Leandro de Mattos Pontes
Luis Fernando Freitas Farah
Mayara do Valle Bernardes de Lima
Priscila Ribeiro Lorangeira da Silva
Vitor da Silva Vieira

Treasury
Roberta Alves Martins
Thais de Oliveira Medeiros

Human Resources
Andrea Pereira Goeb (coordinator)

TEAM
Barbara Santana da Silva Chagas
Heloisa Helena Henriques

Financial Sustainability
Marina Machado

IT
Vinicius de Souza Barbosa (coordinator)

TEAM
Alessandro de Assis Denes
Bárbara Farias Santos (until August 2016)
Deywid Carvalho Dutra
Gilles Villeneuve Alfredo de Mello Ferreira
Igor de Veras Coutinho Soares

INTERNS
Andreia Lopes de Oliveira
(until December 2016)

Bruno Teixeira da Rocha
Eliane dos Santos Coelho
(until July 2016)

Fabio dos Santos Silva
(until December 2016)

Guilherme França Anastácio
(until June 2016)

Jamille Abreu Passalini de Sousa
(until February 2016)

Jessica Barreto de Moraes
(until March 2016)

Julia Lopes Clacino
Luiz Felipe Gomes Fernandes Nunes (until August 2016)

Olívia Soares Mendonça Smiderle
Priscila Ribeiro Marques Corrêa
Victor Hugo Gatto

Funbio Team



Library

Online versions of
Funbio's publications
can be accessed at

www.funbio.org.br

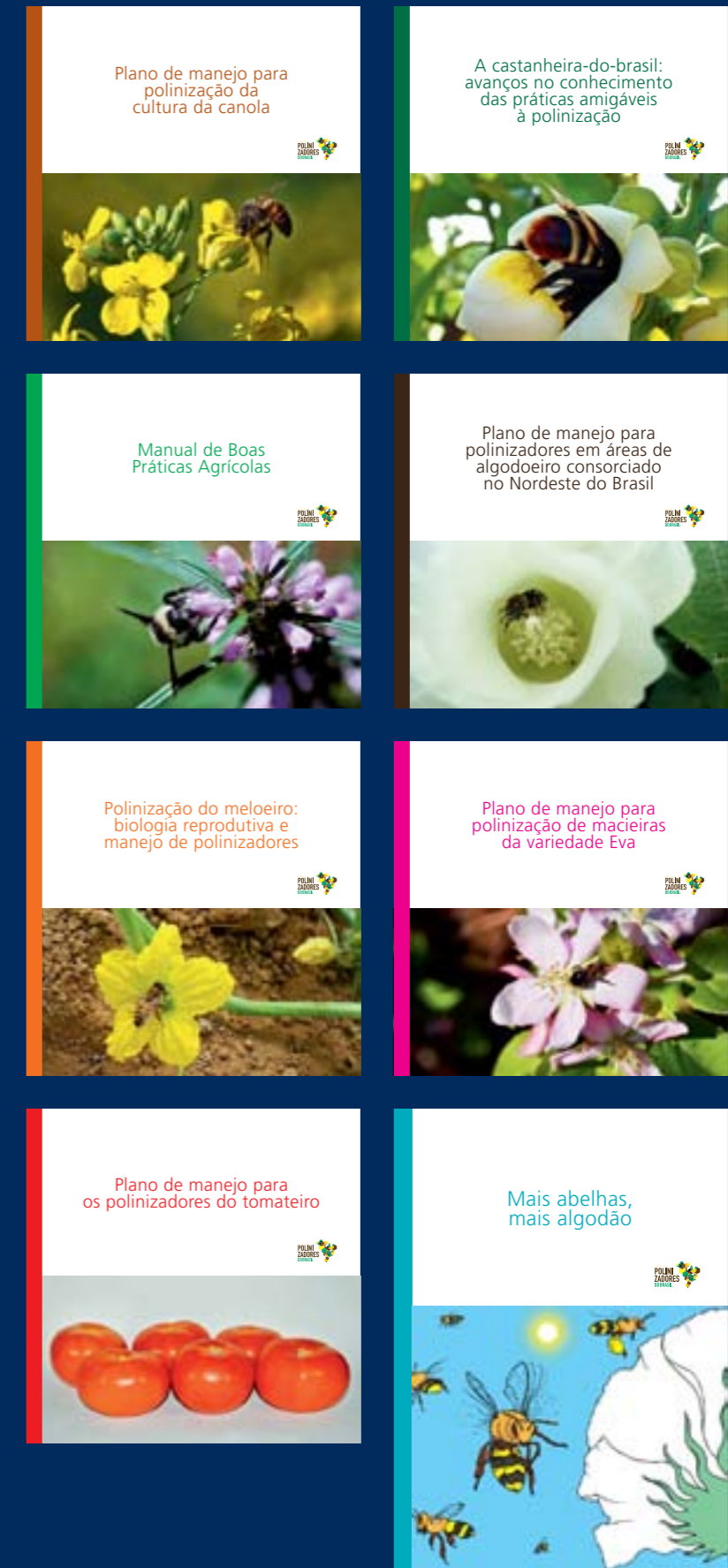
20 Years Conserving the Future

A book on Funbio's 20 years in activity and the main results of its labors. Launched in November, the book, which runs to nearly 400 pages, explores the historical context of the creation of the first environmental funds throughout Latin America and the Caribbean in the wake of Rio-92. The publication is full of first-hand accounts from the key figures behind Funbio's creation and consolidation, complete with photos of the major projects to date.



Brazilian Pollinators Primers

In 2016, the Brazilian Pollinators Initiative launched a series of eight primers. The collection included management plans for six key crops—apple, canola, cashew, cotton, melon and tomato—, complete with recommendations on how to minimize the pollination deficit and boost productivity. Rounding out the series were two manuals: one on best farming practices, and the other on management practices for the protection of pollinators known to visit cotton flowers.



In the news

O Globo newspaper — 6/16/2016
 Columnist Ancelmo Gois
Sebastião Salgado addresses the 18th RedLAC Assembly

G1 — 6/24/2016
In the throes of extinction, a blue macaw like the one from the film Rio is seen in Bahia

G1 — 7/8/2016
A community center for sustainable practices opens in Santarém

G1 — 8/5/2016
Inauguration of new Researchers Lodgings on Fernando de Noronha

SAPOMAG — 8/27/2016
Roberta Medina: Amazon Live is not an "eco-warrior project"



G1 — 8/28/2016
Amazon Live stage will be recycled into ecobags for Rock in Rio

G1 — 8/29/2016
Tenor Plácido Domingo visits Teatro Amazonas after Amazon Live

Folha de São Paulo — 11/1/2016
 Columnist Mônica Bergamo
Sebastião Salgado speaks at the opening of the 18th RedLAC Assembly

GPS Brasília — 11/2/2016
Na Capital
 Redlac: photographer Sebastião Salgado delivers the Opening address

EBC — 11/3/2016
Brasília hosts forum that funds environmental conservation

Correio Braziliense — 11/13/2016
In an interview, Fernando Meirelles says that the environment is priority

| Financers

- Alcoa Alumínio S.A.
- Alcoa Foundation
- Alcoa World Alumina Brasil Ltda.
- Anglo American Minério de Ferro Brasil S.A.
- Banco Interamericano de Desenvolvimento – BID
- Banco Nacional de Desenvolvimento Econômico e Social – BNDES
- BP Brasil Ltda.
- Bundesministerium für Umwelt – BMU
- Cálamo Distribuidora de Produtos de Beleza S.A.
- Center for Environment, Economy, and Society (CEES) – Columbia University
- Centro de Estudos Avançados de Promoção Social e Ambiental – CEAPS
- Chemonics International
- Chevron Brasil Upstream Frade Ltda.
- Climate and Land Use Alliance – CLUA
- ClimateWorks
- Companhia Siderúrgica do Atlântico – CSA
- Conselho Juruti Sustentável – Conjus
- Conservação Internacional – CI-Brasil
- Conservation International
- Conservation International Foundation
- Credit Suisse AG
- Critical Ecosystem Partnership Fund – CEPF
- Deutsche Gesellschaft für Internationale Zusammenarbeit – GIZ
- Engie – GDF Suez Energy Latin America Participações Ltda.
- Fondation Internationale du Banc d’Arguin – FIBA
- Fondations pour les Aires Protégées et la Biodiversité de Madagascar
- Fonds Français pour l’Environnement Mondial (FFEM)
- Forest Trends
- Fundação BioGuiné
- Fundação para o Desenvolvimento Científico e Tecnológico em Saúde – FIOTEC
- Fundação Vitória Amazônica – FVA
- Fundación Avina
- GITEC Consult GmbH
- Global Environment Facility – GEF
- Gordon and Betty Moore Foundation
- Guilherme Peirão Leal
- Hidroelétrica de Mphanda Nkwa
- ICCO Foundation
- Instituto Arapyaú de Educação e Desenvolvimento Sustentável
- Instituto de Conservação Ambiental
- The Nature Conservancy – TNC

| Financers

- Instituto Semeia
- International Tropical Timber Organization – ITTO
- International Union for Conservation of Nature – IUCN
- José Roberto Marinho
- KfW Bankengruppe
- Klabin S.A.
- Latin American Regional Climate Initiative – LARCI
- Linden Trust for Conservation
- Mava Fondation pour la Nature
- MPX Energia S.A. – ENEVA
- Natura Cosméticos S.A.
- O Boticário Franchising Ltda.
- Oak Foundation
- OGX Petróleo e Gás Participações S.A.
- OMNIA Minérios Ltda.
- Pedro Luis Barreiros Passos
- Petróleo Brasileiro S.A. – Petrobras
- Porticus Latin America
- Programa das Nações Unidas para o Desenvolvimento – PNUD
- Prosperity Fund – Fundo de Cooperação do Ministério das Relações Exteriores do Reino Unido (FCO)
- Rock World S.A.
- Santo Antônio Energia
- Secretaria de Estado do Ambiente RJ – SEA/RJ
- Secretaria Estadual do Meio Ambiente e Recursos Hídricos – SEMA/PR
- Serviço Nacional de Aprendizagem Rural – SENAR/RS
- The Carbon Neutral Company Limited
- The Food and Agriculture Organization of the United Nations – FAO
- The Ocean Foundation
- The Royal Society for the Protection of Birds
- União Europeia – EU
- United Nations Environment Programme – UNEP
- US Agency for International Development – USAID
- Vale S.A.
- Venda Plataforma Internet
- Votorantim Industrial – VID
- Wildlife Conservation Society – WCS
- World Bank – Banco Mundial
- WWF – Brasil
- WWF – US

National and International Donations Unit

An aerial photograph of a vast tropical forest. The foreground and middle ground are filled with a dense canopy of trees in various shades of green and brown. In the background, a wide valley is shrouded in a thick layer of white mist or low clouds, creating a sense of depth and atmosphere. The sky is a pale, hazy blue.

TOTAL FUNDING
USD 237.4 million*

* Project sums converted into US dollars (exchange rate as of the last day of the month of the contract's signing)

DURATION

From 2002 to 2039

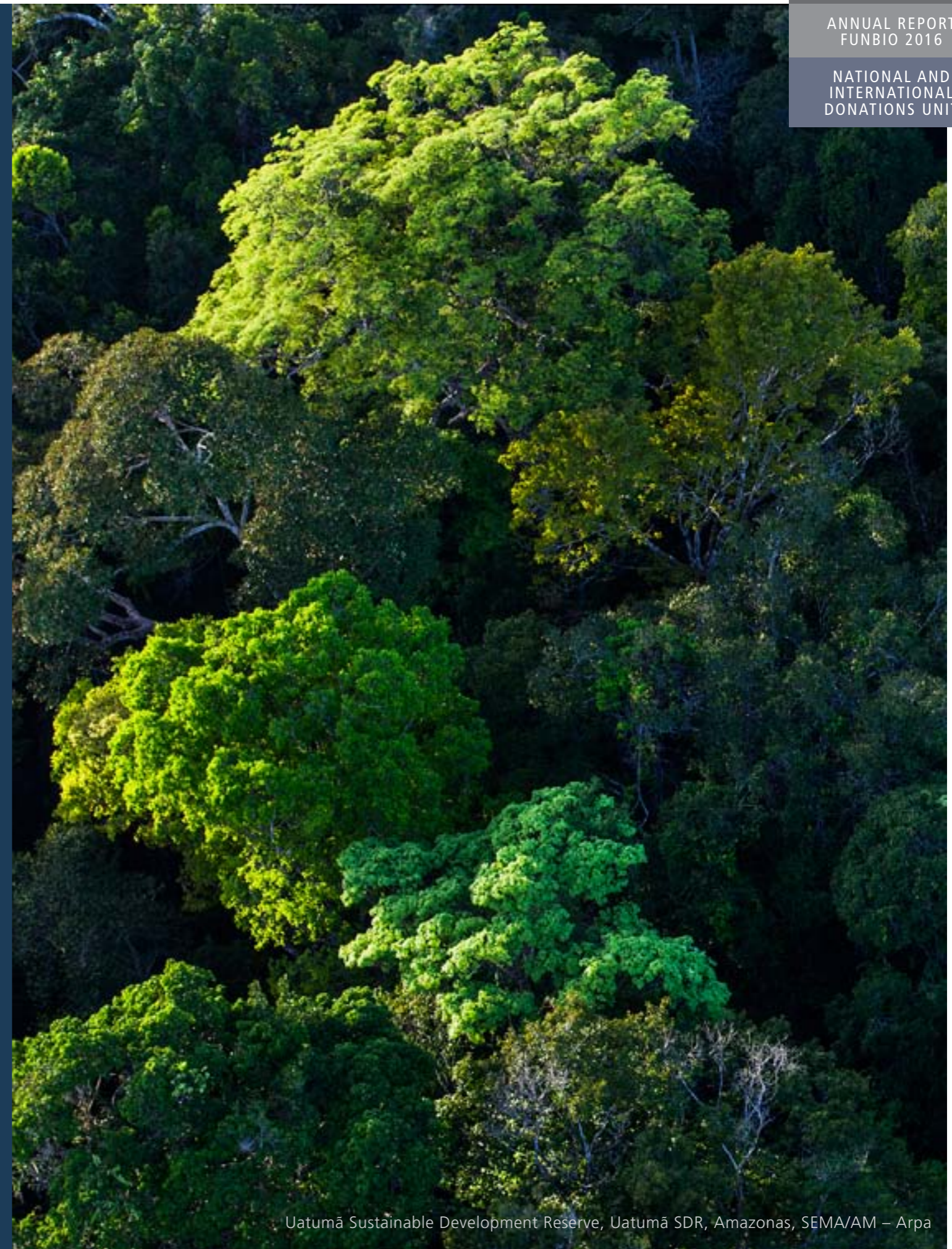
Arpa

Amazon Region Protected Areas Program

The Amazon is the largest forest on the planet, covering a total of 4.1 million square kilometers. Home to the world's largest river basin, the greatest concentration of biodiversity on earth, and a population of 24 million Brazilians of various ethnicities and traditional communities—indigenous, quilombola, extractivist, riverine—, it would be no exaggeration to say that everything about it is superlative.

Since 2002, this plurality has been supported by the Amazon Region Protected Areas Program (Arpa), the world's largest tropical forest conservation initiative, celebrating its 15th anniversary in 2017. Arpa is an innovative arrangement that pools the efforts of government, civil society and the business community. In 2012, Arpa won a Development Impact Honors Award from the US Treasury Department, which recognized it as an "especially notable and high-impact project".

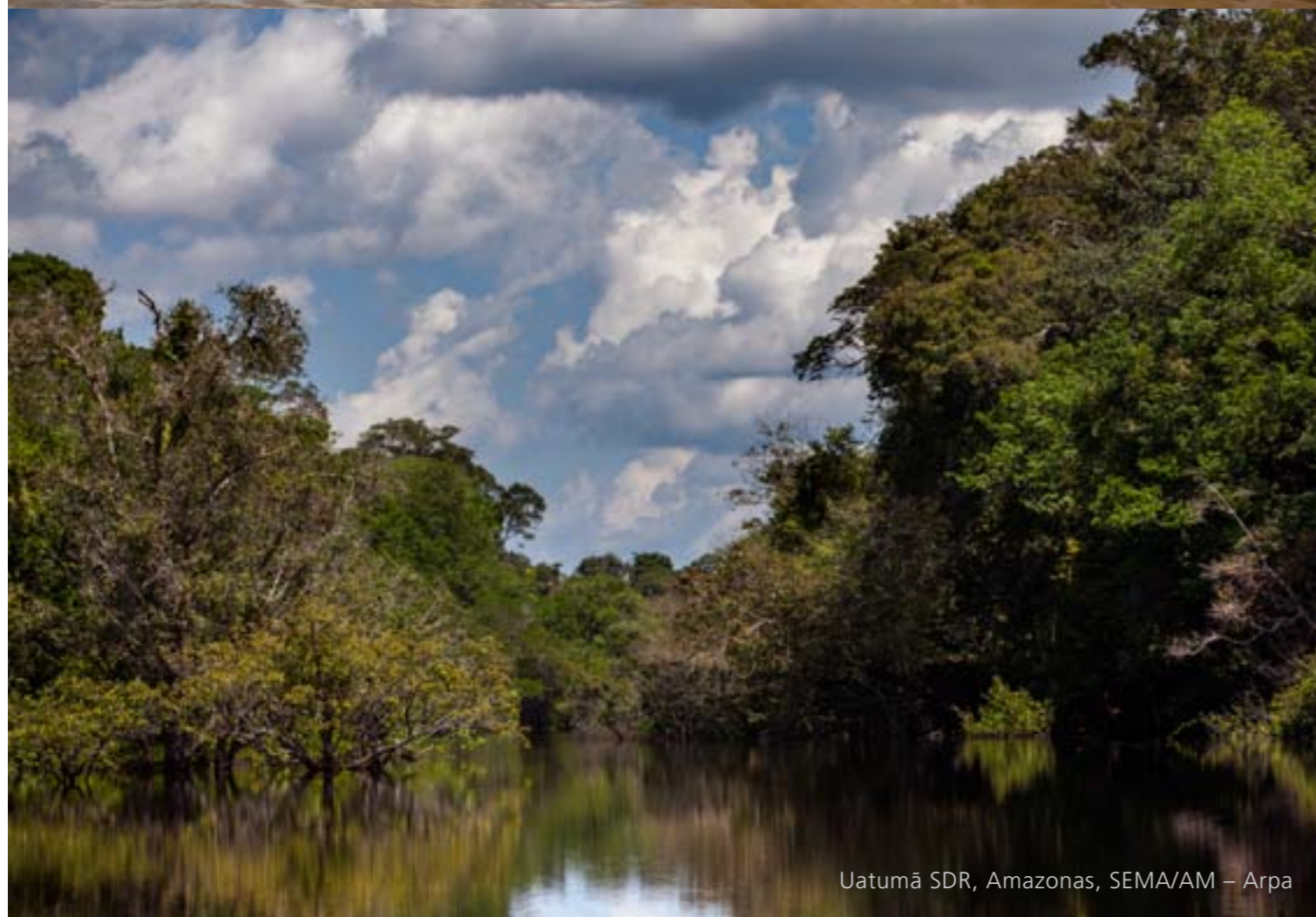
Arpa is a Brazilian Ministry of the Environment initiative whose viability is ensured by foreign and domestic donations. Its main donors are KfW, the GEF (through the World Bank) and the Amazon Fund (through the BNDES). Funbio is the program's financial manager and mandated executive secretary of the Transition Fund, designed to gradually phase out private and third-sector funding to make the program's protected areas (PAs) one hundred-percent government-reliant. The main aim is to support the conservation and sustainable use of 60 million hectares under some form of PA by 2039 (15% of the Brazilian Amazon and an area twice the size of Germany). Arpa's innovative management model has already been replicated in the Peruvian and Colombian Amazon, also with Funbio support.



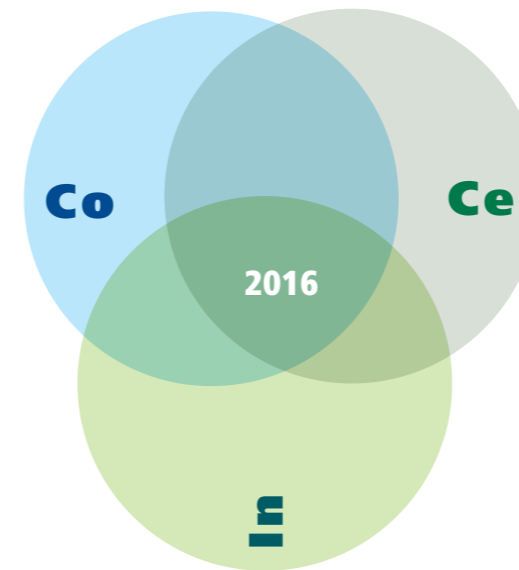
Uatumã Sustainable Development Reserve, Uatumã SDR, Amazonas, SEMA/AM – Arpa



Nossa Senhora do Livramento community, Uatumã SDR, Amazonas, SEMA/AM – Arpa



Uatumã SDR, Amazonas, SEMA/AM – Arpa



Connections

- Two workshops to establish Terms of Reference for the commissioning of management plans were attended by 32 professionals, among managers, officers, and representatives from the Ministry of the Environment and ICMBio
- Over 40 professionals attended meetings in Colombia and Peru to develop the project “Sustainable Amazonian Landscapes”, which will support the Arpa Transition Fund and replicate the model in these countries

Celebrations

- The execution of R\$ 41.7 million, up 32% on 2015
- Work started on 18 new PAs
- Seven community-action projects got underway
- Results of 23 community projects at a workshop in Manaus attended by 72 people, including managers, communitarians and members of local indigenous and riverine communities
- R\$123 million paid into the Transition Fund
- Presentation of Arpa’s model and results at the 10th IUCN World Conservation Congress held in Hawaii in September
- 6 new PA integrated-management projects
- 58 managers capacitated

Innovations

- The use of a reloadable prepaid debit card with a monthly balance of R\$15 thousand to cover local expenses on Integrated Management and Biodiversity Monitoring projects
- The introduction of a biodiversity-monitoring protocol at various PAs
- Support for a study by Prof. Britaldo Soares on the role of Arpa’s protected areas in reducing deforestation and carbon emissions



From timidity to leadership

Josué da Costa da Silva was born and raised in the Middle Juruá Extractive Reserve in Amazonas state. His dream had always been to become an environmentalist, but up until the age of 21, his shyness and self-consciousness kept him away from everything and everyone. Now in his mid-20s, he is a sustainable-production technician, member of the extractive reserve's deliberative board, and a volunteer environmental agent. Josué was among those who benefitted from the Young Leaders workshops, just one of 23 community initiatives which Arpa supports. "Today I'm a fully-trained technician in sustainable production at PAs. Having taken part in the project's community forestry agent workshop, I feel much better prepared".



114
Protected Areas (PAs)
supported

59
million hectares

30
community projects
backed

**TIAGO JURUÁ
DAMO HANZI**
Manager of the Cazumbá-
Iracema Extractive Reserve
in Acre

“
Having the prospect of long-term funding allows you to plan better, move forward with results. A lot—and I mean a lot—of what we've been able to do here is down to Arpa and the security the Program brings.
”

TOTAL FUNDING USD 13.1 million*

* Project sums converted into US dollars (exchange rate as of the last day of the month of the contract's signing)

DURATION

From 2010 to 2017

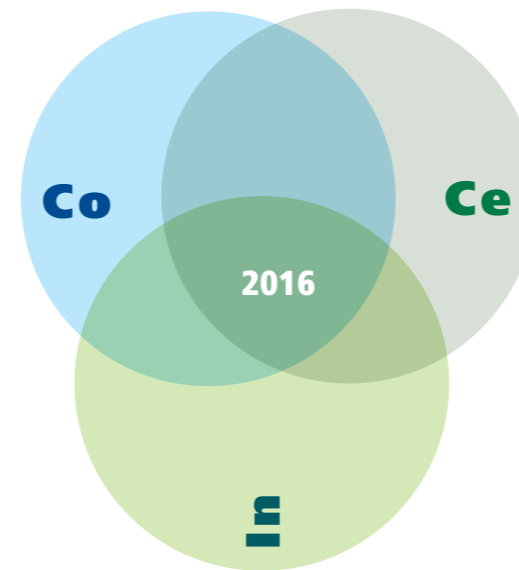
Fundo Kayapó

According to the Ministry of the Environment, the Deforestation Belt, a region that stretches from Pará to Acre, accounts for 70% of all deforestation in the Brazilian Legal Amazon. The Kayapó Homeland, which covers roughly 11 million hectares (an area the size of Cuba) straddling the south of Pará and north of Mato Grosso, sits in the middle of this devastation.

The Kayapó Fund was set up to support projects by indigenous organizations operating in these territories. The focus is mainly on biodiversity conservation, territorial protection, sustainable production activities and on empowering Kayapó leaders to represent their people politically. Seed-funding was provided by Conservation International and the Amazon Fund (through the Brazilian Development Bank – BNDES).

5

projects supported
by 2016



Connections

- Collectors and producers of indigenous arts and crafts were put in contact with stores and companies Brazil-wide
- Kayapó leaders were introduced to political forums in Brasília (the Upper and Lower Houses of Congress, the Chiefs of Staff, the Special Secretariat to the Presidency of the Republic, National Indian Foundation – Funai, and the Judiciary)

Celebrations

- The Special Secretariat for Human Rights' Human Rights Award was granted to the Raoni Institute, one of the indigenous organizations supported by the Kayapó Fund
- Native indians were trained to produce and sell traditional Kayapó craftwork
- Three new projects were selected for 2017, receiving a combined total of R\$3 million in funding
- Roughly 88 tons of crops harvested and over 12 thousand craft items produced
- Generation of income: approximately R\$ 1 million for Kayapó families
- Results from five territorial-monitoring expeditions

Innovations

- Use of drones, purchased by the Fund, for aerial monitoring

“

KARINA PAÇO
Project Coordinator at the
Raoni Institute

We know that our actions are the result of a joint effort and that there's still so much to be done, but we owe special thanks to the Kayapó Fund, which, since its very inception, has helped steer the Raoni Institute and the Kayapó down a surer course.

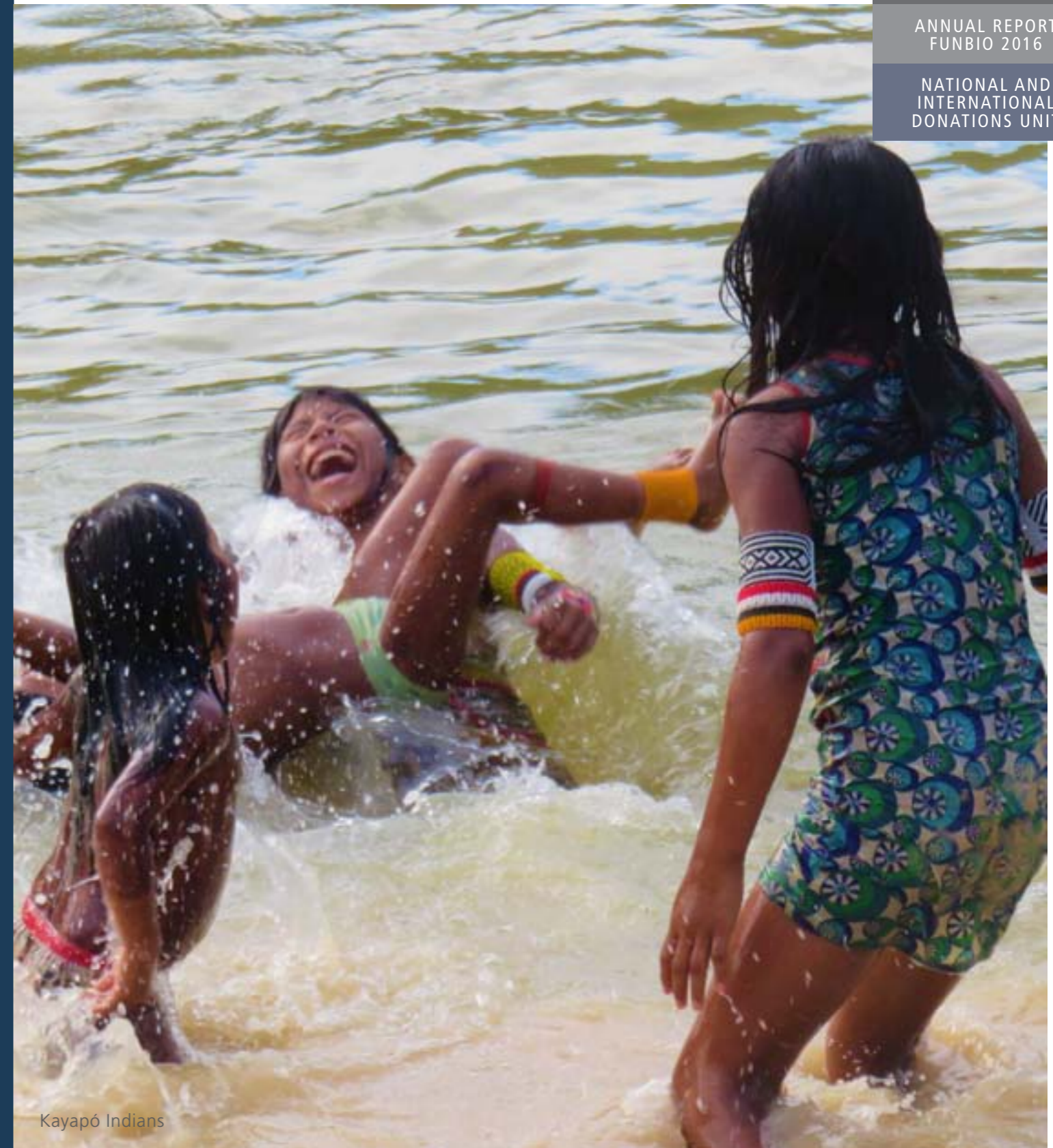
”



100% feminine

The first project 100% geared towards women, Menire Nhô Puro (“The Women’s Farm” in loose translation) is what a group of 50 Kayapó women from the Capoto settlement in Mato Grosso call their collective smallholding. Crops grown on the 14-hectare plot benefit the village’s population of 500. In conversation with the Raoni Institute, one of the women said that the plot was “about showing the men that the womenfolk aren’t lazy, and that the project is going to work”, says Raoni Institute’s Karina Paço, who executes the project with backing from the Kayapó Fund and Instituto Ekos Brasil.

MORE ON THIS PROJECT ON PAGE 33



Kayapó Indians

6

indigenous homelands
strengthened

11

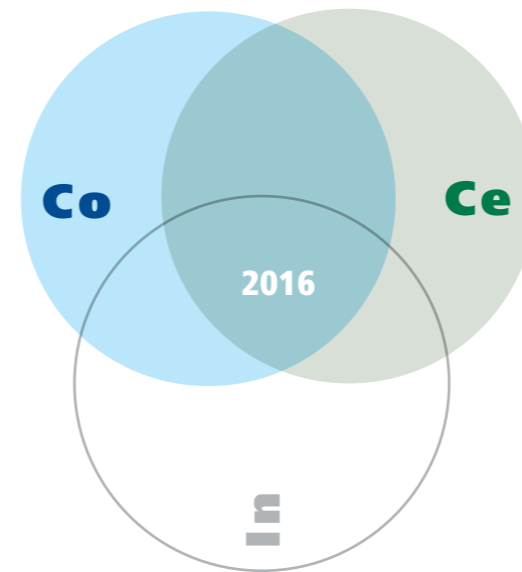
million hectares

Over
2,500
people
benefitted

TOTAL FUNDING
R\$ 3 million
DURATION
From 2016 to 2019

Amazonia Live

Underway since 2016, with total funding of R\$ 3 million, this three-year project is the fruit of a partnership between Funbio, Rock in Rio and the Socioenvironmental Institute (ISA). The aim is to use a seed-mix technique ("muvuca") to plant a million trees around the headwaters and sources of the Xingu River in Mato Grosso. The project, which has Rock in Rio as a donor was launched in late August at a special show by Plácido Domingo and Ivete Sangalo aboard a floating stage in Manaus. The show was transmitted live to millions of viewers around the world.



Connections

- Around 50 people, among family smallholders and indians from different ethnicities, attended the 2nd Xingu Seed Network Expedition
- Over 400 collectors with the Seed Network and music fans mobilized by Rock in Rio

Celebrations

- A first batch of 250 thousand trees was planted in Mato Grosso in November

420
collectors involved

1
million trees planted



A thrilling journey

It was among colored seeds at the hamlet Nova Xavantina that the young Milene Alves set her sights high. Her dream: to make a contribution to reforestation in her home region, Mato Grosso. In 2016, as a student of the biological sciences, she represented over 400 collectors from the Xingu Seed Network at the launch of Amazonia Live in Rio. "It was a thrilling journey", says Milene, who addressed the packed hall after a performance by the guitarist Andreas Kisser. In November, she took part in the initiative's first wave of planting, which will result in a million native trees around Xingu headwaters.

"Coming out of a small town to talk about such a huge project was quite an achievement for me. We're delighted at the recognition our work is receiving. During the first planting, I was there with my mother, sowing seeds from where I was born", said Milene, who has been with the Network since she was fourteen.



TOTAL FUNDING
USD 20.8 million

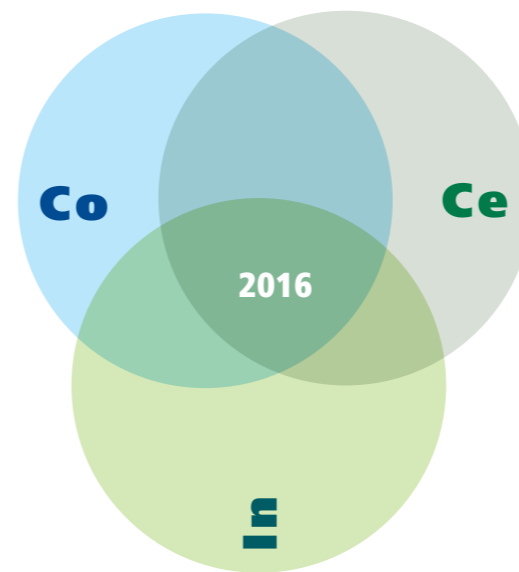
DURATION
From 2010 to 2019

TFCA

Tropical Forest Conservation Act

The Tropical Forest Conservation Act (TFCA) is an American law promulgated in 1998 that commutes a parcel of a country's national debt with the US into environmental investment. Brazil and the USA signed the agreement in 2010, and it has since channeled USD 20.8 million into 82 conservation initiatives across three Brazilian biomes: the Cerrado (savannah), Caatinga (scrubland) and Atlantic Forest. Funbio is executive secretary of the TFCA committee in Brazil, which is chaired by the Ministry of the Environment.

In 2015, the TFCA completed its funding of 82 projects and undertook support for seven more.



Connections

➤ An exchange of conservation experiences between the representatives of nine supported projects and over a hundred members from 19 environmental funds in Latin America and the Caribbean at the 18th RedLAC Assembly

Celebrations

- New project capacitation of 14 people from seven partner institutions
- Support for seven new projects in the Caatinga, Cerrado and Atlantic Forest biomes, spanning the states of Minas Gerais, Alagoas, Pernambuco, Bahia, Tocantins, Maranhão, Pará and Piauí
- Over 1,500 people will benefit from the seven new projects
- In-loco biodiversity-impact assessments for 10% of the 82 projects that reached completion in 2015

Rio dos Couros, Alto Paraíso, GO, where the CAR project is underway, thanks to TFCA support

“

RAVI ROCHA
Association for the Protection of the Atlantic Forest in the Northeast (Amane)

Before the TFCA, we used to work on a small scale. The TFCA strengthened us and broadened our vision. We started to plan our work in the Atlantic Forest and Northeast on a much larger scale

”



89
projects supported

14
protected-area projects

7
projects to strengthen socio-biodiversity production chains

TFCA at RedLAC: emotion and big results

It started with silence and tears rolling down the faces of the more than 150 participants at the 18th RedLAC Assembly in Brasília, moved by the tale of passion and personal triumph recounted by the photographer Sebastião Salgado. In the dark auditorium, in the dim glow of his projected photos, Salgado spoke of the transformation of the family's Bulcão Farm. Once a barren wasteland, the property has become a benchmark in reforestation and kindled in the photographer and his wife, Leila, a passion for environmentalism. The project was one of the first to receive Funbio's support, and the frisson that pervaded the packed auditorium, enthused by the intensity of Salgado's story, set the tone for the Assembly, hosted by Funbio. TFCA Brazil was one of the main supporters of the conference, alongside key sponsors, such as the Brazilian Development Bank – BNDES and the Roberto Marinho Foundation.

Held over two days, the Assembly's round table discussions included such themes as the future of environmental funding—with representatives from the KfW, GEF and World Bank—and communication, with the participation of the filmmaker Fernando Meirelles.

A whole session was devoted to a presentation of the TFCA in Brazil, with special emphasis on its agile execution and impressive results. Participating were Scott Lampman (USAID-TFCA), Michael Eddy (USAID-TFCA), and Rodrigo Vieira (The Ministry of the Environment, Brazil, with mediation by Maria José Gontijo (Instituto internacional de Educação do Brasil, IEB).

Representatives from some of the 82 projects supported by TFCA Brazil attended the Assembly, which featured a series of banners presenting project results from across the country. TFCA Global also held an open-day in Brasília, with the support of the Brazilian chapter.



5

training
projects

17

species management
projects

2

community
projects

“

RODRIGO VIEIRA

Project manager and acting director of the Ministry of the Environment's Ecosystems Conservation Department.

With the help of Funbio's expertise, the TFCA has been able to show how, and to what extent, we can deploy and monitor resources in a transparent way. (...) It was a truly innovative mechanism (...) Funbio's administrative model (...) was a real boost in terms of the flexibility, agility and efficiency of disbursements, accountability and monitoring.

”

SCOTT LAMPMAN
USAID-TFCA

“
No other fund has managed to handle TFCA resources as efficiently and nimbly as Funbio, with its focus on execution and results.
”



Presentation of TFCA-backed projects

7
fundraising-training projects

53
projects in the Atlantic Forest*

* Due to scope of operations, some projects are listed under more than one biome

24
projects in the Caatinga*

23
projects in the Cerrado*

75
NGOs supported

“

PAULO HENRIQUE MARINHO
Wildlife Conservation Society (WCS)

Taking part in the 18th RedLAC Assembly was a great opportunity for us to present the results of the WCS project supported by TFCA/Funbio, meet some major global conservation enthusiasts and be inspired by great experiences. In the name of the Caatinga Potiguar Project, I can only thank Funbio and RedLAC for this huge opportunity.

”

7
network-building projects

23
states covered

30
landscape-management projects



FRANCINALDA ROCHA
Comissão Ilha Ativa (CIA)



PAULO HENRIQUE MARINHO
Wildlife Conservation Society (WCS)



CARLOS HUGO ROCHA
Universidade Estadual de Ponta Grossa

TOTAL FUNDING
USD 5.5 million

DURATION
From 2015 to 2018

Probio II

Opportunity Fund of The National Biodiversity Mainstreaming and Institutional Consolidation Project

The most biodiverse country on the planet, Brazil was the first signatory to the Convention on Biological Diversity (CBD), the mission of which is to set the norms and principles that should govern the use and protection of biodiversity. In 2008, the Ministry of the Environment joined forces with Funbio to launch Probio II. The project engaged private-sector partners across six territories (South of Bahia; Juruti in Pará; Mato Grosso do Sul; the Gaúcho Pampas; Vale do Ribeiro in São Paulo; and the Tapajós-Arapiuns Extractive Reserve in Pará), urging them to adopt two of the CBD's pillar principles in their businesses: the conservation and sustainable use of biodiversity. With resources from the GEF (through the World Bank), the project set up an Opportunity Fund in 2015 to support initiatives with private-sector involvement.

In 2016, the mechanism funded four sub-projects in three regions: the South of Bahia, Juruti and the Tapajós-Arapiuns Extractive Reserve.

3
states

Backing for

4

territorial sub-projects —
underway

Approximately

3

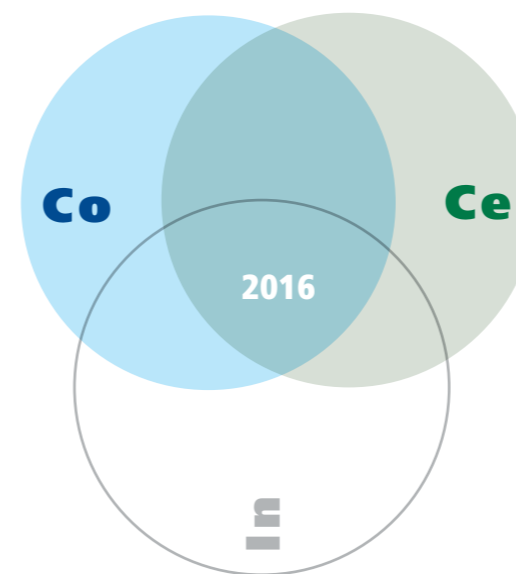
million hectares

2

territorial sub-projects
completed in 2016

3

biomes



Connections

- 150 enterprises were introduced to Community-based Tourism practices at the Tapajós-Arapiuns Extractive Reserve
- Best practices in cocoa production disseminated among one hundred producers in the South of Bahia

Celebrations

- Capacitation for rural production and entrepreneurship for 1,500 people
- Inauguration of an Inter-communitarian Center for Training and Development in Socio-environmental Technologies, which has since trained over a thousand people at the Tapajós-Arapiuns Extractive Reserve
- Support for the Environmental Business Investment Fund in the South of Bahia, which has already backed 42 community projects and carried out eight credit operations for new undertakings
- Support for 32 rural production and entrepreneurship workshops
- Funding for a new water-supply system for 298 families in the Tapajós-Arapiuns Extractive Reserve

Rio Tapajós/Tapajós-Arapiuns Extractive Reserve



TOTAL FUNDING
USD 18.2 million

DURATION
From 2014 to 2019

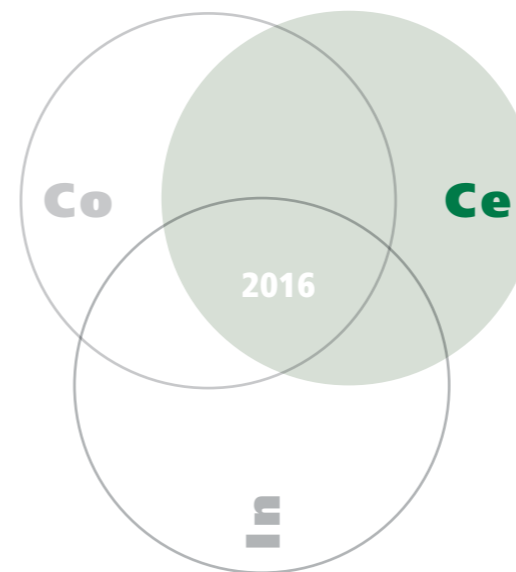
GEF Mar

Marine Protected Areas Project

Brazil's coastline stretches across 15 states and is home to a population of 50 million, according to Ministry of the Environment data. The country's coastal waters cover some 3.5 million km², of which only 1.57% is protected, making Brazil the nation with the lowest percentage of marine-area protection on earth.

The project is financed by the GEF (through the World Bank) and its mission is to stanch biodiversity loss by extending coverage under a representative and effective system of protected coastal and marine areas to at least 5% of the coastline.

The biome suffers considerable environmental impact from growing population densities in coastal regions, ever-busier shipping lanes and trade routes and increasingly aggressive oil drilling.



Celebrations

- Training for 55 Protected Area (PA) managers
- Support for community sub-projects at 6 PAs

Tamandaré Beach, Coral-Coast Protected Area/Pernambuco



11

Protected Areas supported

1

million hectares protected

7

states covered

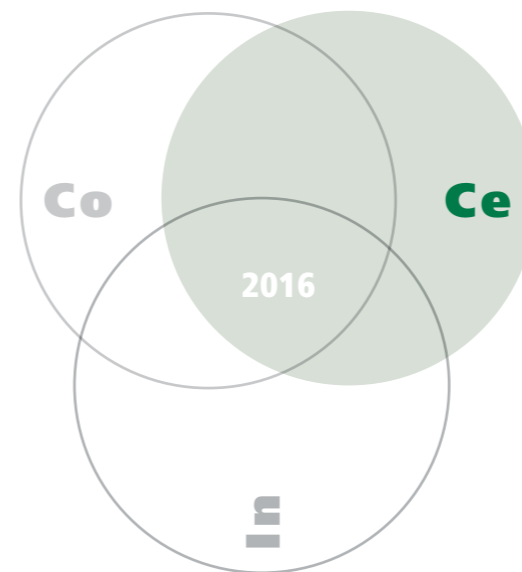
6

research centers funded

TOTAL FUNDING
R\$ 4 million
DURATION
From 2011 to 2018

Park Adoption Project

Funbio created the project to facilitate voluntary private investment in Protected Areas (PAs), such as parks and reserves. Companies make donations in return for public recognition and brand exposure.



Celebrations

- Completion of infrastructure construction work at the headquarters of the Fernando de Noronha National Marine Park
- Construction and inauguration of a new administrative and fleet maintenance center at the Lençóis Maranhenses National Park

Lençóis Maranhenses National Park, ICMBio. Left: Park headquarters

2

Protected Areas supported

165

thousand hectares



TOTAL FUNDING
USD 3.3 million

DURATION
From 2010 to 2016

Brazilian Pollinators

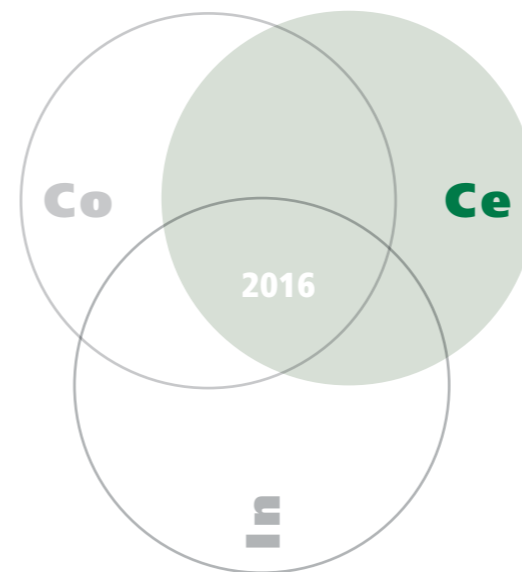
Conservation and Management of Pollinators for Sustainable Agriculture Through an Ecosystemic Approach

A study conducted by the University of São Paulo (USP) indicates that the pollination services provided free of charge by insects such as the bumble bee are worth something in the region of R\$ 12 billion per year. Pollination boosts and maintains biodiversity and is vital to food production. Among all known flowering vegetables, 87.5% depends on pollinators. Among those that are part of the human diet, the percentage is around 75%.

The project was financed by the GEF (through the United Nations Food and Agriculture Organization – FAO) and the main aim was to foster studies on pollinators in developing countries, including South Africa, Kenya, Ghana, India, Pakistan, Nepal and Brazil. Here, Funbio financially managed the project up to its completion in 2016.

Among the materials produced are publications on pollination and key crops, such as canola, for which natural pollination can amount to a 70% increase in productivity. These publications are available in digital format on the Funbio website:

www.funbio.org.br

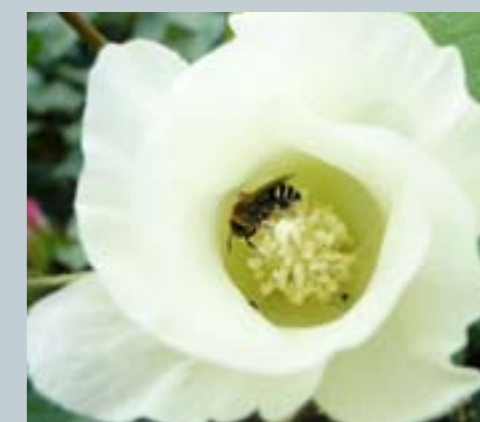


Celebrations

➤ The publication and distribution of 20 thousand copies of eight primers and manuals: *The Canola Management Plan; The Apple Management Plan; The Cotton Management Plan; The Tomato Management Plan; The Brazilian Nut Management Plan; The Melon Management Plan; Best Practices Manual; and More Bees, More Cotton*

7
countries involved

57
scholarships granted



14
researchers funded

19
institutions supported

19
states

7
crops studied

68
studies produced

7
new species of bee discovered



PARTNERS



MINISTÉRIO DO MEIO AMBIENTE



TOTAL FUNDING
USD 1.1 million

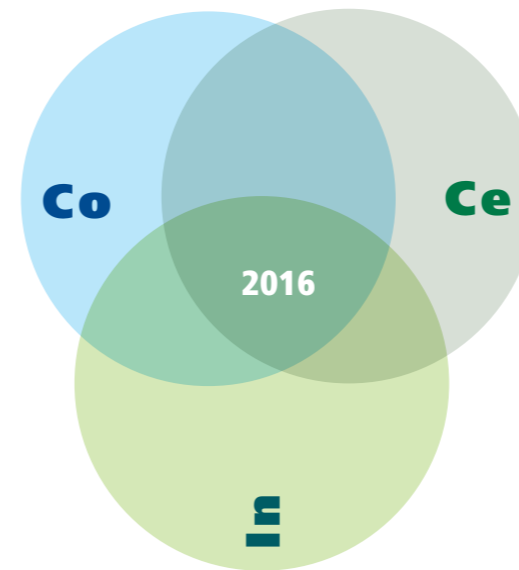
DURATION
From 2012 to 2017

GEF Nutrition

Mainstreaming Biodiversity Conservation and Sustainable Use for Improved Human Nutrition and Well-being

According to the Ministry of the Environment, Brazil is home to the world's most diverse flora, with some 55 thousand species already described (22% of the planetary total). Despite this bounty, most Brazilian agriculture is based on exotic species, while many native species are only commercialized on a local scale by traditional populations, with little or no market penetration domestically or abroad.

The project is part of an international initiative by the Global Environment Fund (GEF), Biodiversity International and the United Nations Environment Program (UNEP). The main aim is to promote the use of native species whose high nutritional value is unknown or little explored in the national diet, such as camu-camu (*Myrciaria dubia*), mangaba fruit (*Hancornia speciosa*), and genipapo (*Genipa americana*). Scientific knowledge on these species and the creation of a market for them will help generate income for local producers and contribute towards a healthier diet.



Connections

➤ 112 people, among teachers, researchers and students, were brought together through a partnership between six universities across five regions of the country

Celebrations

➤ 70 families from a quilombola community trained to process and store fruit and pulp

Innovations

➤ Compilation of nutritional data on 58 new species from the Northeast

Cake recipe created with project support



4

countries involved

6

universities

5

Brazilian regions

TOTAL FUNDING
USD 9.6 million*

* Project sums converted into US dollars (exchange rate as of the last day of the month of the contract's signing)

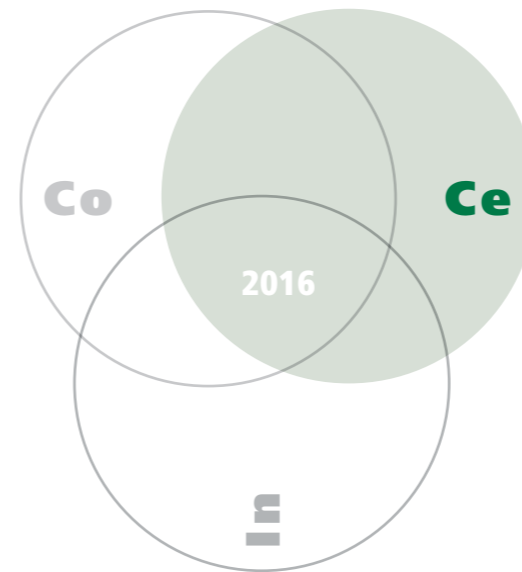
DURATION
From 2015 to 2018

Atlantic Forest

Atlantic Forest Biodiversity and Climate Change

The project was launched by the Brazil-Germany Cooperation Program for Sustainable Development and the International Climate-protection Initiative and aims to support the conservation and recovery of the Atlantic Forest, and to mitigate the effects of climate change on the biome, considered a global conservation hotspot, i.e., one of the most endangered biodiversity-rich environments in the world. The Atlantic Forest is home to 120 million people, 72% of the Brazilian population.

The initiative is financed by the German Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), through the German Development Bank (KfW).



Celebrations

➤ The first disbursement, in November 2012, to the tune of € 2.68 million, was used to hire a consultancy to update the conservation priority areas for the Atlantic Forest biome

3

Atlantic Forest mosaics supported

65

protected areas

Roughly

2

million hectares aided, as of 2017

4

states



Montanhas de Teresópolis Municipal Natural Park, part of the Central Fluminense Mosaic, received assistance from the Atlantic Forest Project

TOTAL FUNDING
USD 2.5 million

DURATION
Endowment

Amapá Fund

With almost nine million hectares, a total of 19 protected areas and 5 indigenous homelands spanning over a million hectares combined, nearly 70% of the state of Amapá is protected (an area about the size of Ireland), though most of the PAs do not have adequate infrastructure.

With a view to bolstering PA functioning, Funbio—with backing from the Gordon and Betty Moore Foundation and CI-Brazil, and working closely with the Amapá Environmental Secretariat—created a private fund for national and foreign donations. In 2016, the fund received USD 2.5 million from Conservation International's Global Conservation Fund (GCF).



Amapá National Forest

Legal Obligations Unit



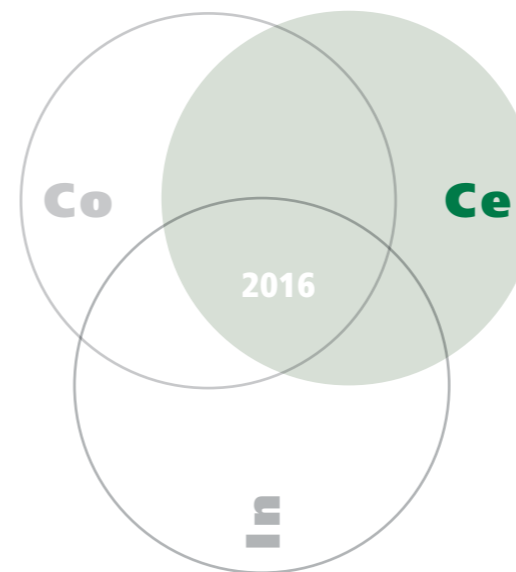
TOTAL FUNDING
R\$ 295 million under
the covenant and
R\$ 13 million under
the agreement

DURATION
From 2010 to
November 2016
(Covenant
03/2009 FMA/RJ)
From September
2016 to 2021
(Agreement
04/2016 FMA/RJ)
From 2016 to 2021
(Acordo 04/2016
FMA/RJ)

FMA/RJ

Mechanism for Biodiversity Conservation in the State of Rio de Janeiro

Environmental compensation is an important source of complementary resources for biodiversity conservation in Brazil. The instrument was established by Federal law 9,985/2000, known as the SNUC law (a Portuguese acronym for the National System of Protected Areas). Offset measures are required by the environmental licensing process, a public management instrument that controls the impact of human activities on the environment. In Rio de Janeiro, when a company applies to the State Institute for the Environment (Inea) for licenses, environmental impact studies are conducted to ascertain the amount that has to be paid.



Celebrations

- 16 projetos finalizados
- Execução de 6 novos projetos no Convênio
- 3 novos projetos no Acordo
- 2 reformas em Unidades de Conservação contratadas

50
Protected Areas
supported

506
thousand hectares, 11 %
of the total surface area
of the state of Rio.

99
undertakings



Três Picos State Park – Inea, supported by FMA/RJ



New headquarters of the Cunhambebe State Park – Inea.
Construction financed with environmental compensation deposits through SNUC (Federal Law nº 9.985/2000)

Once the offset payment is established, the company can:

- 1 — **execute** the funds directly
- 2 — **hire** another institution to do so
- 3 — **sign up** to the FMA/RJ

Funbio created the FMA/RJ in 2009 at the behest of the Rio de Janeiro State Department for the Environment (SEA). It is the only instrument of its kind in Brazil, and constitutes a sound alternative for the effective, expeditious and transparent use of environmental compensation deposits at the state's Protected Areas (PAs). The first phase lasted seven years and had Funbio as its financial and operational manager.

In 2016, Funbio was chosen via open call to assume the operational management of phase two of the FMA/RJ, which is scheduled for completion in 2021. Banco Bradesco Inc. is the financial manager.

99
projects backed

183
million in project
allocations

114
million executed,

136
million requested

285
million received

84
%
of the total requested



Montanhas de Teresópolis Natural Park. Vehicle purchased with environmental compensation deposits through SNUC (Federal Law nº 9.985/2000)

TOTAL FUNDING
approximately
R\$ 30.5 million
(after monetary
correction)

DURATION
From 2015 to 2019

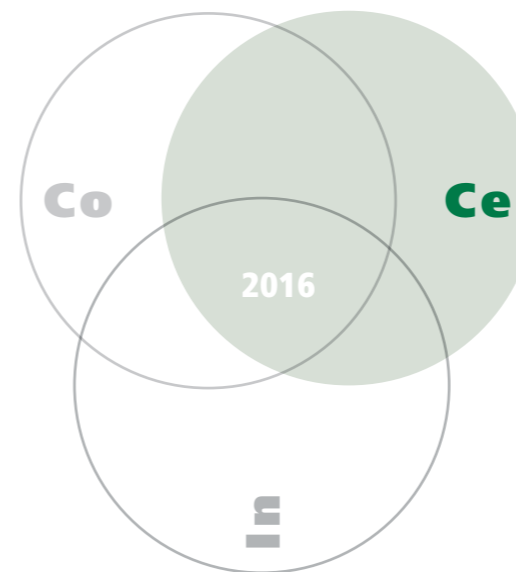
Marine Research

Project to Support Marine and Fisheries Research in the State of Rio de Janeiro

According to the Rio de Janeiro State Fisheries Institute Foundation (FIPERJ), the state has 25 fishing colonies and is the country's fourth-largest fish producer. Rio's main catch is the Brazilian sardine (*Sardinella brasiliensis*), which makes up 61% of total yields.

The project's main aims are to generate and propagate scientific knowledge on the state's fisheries and marine environment, analyze its production chain with a view to enhanced sustainability and contribute to the recovery and sustainable fishing of the Brazilian sardine by ensuring the viability of the actions recommended in the Species Management Plan.

The project is financed through a Conduct Adjustment Agreement (Consent Decree) between Chevron Brazil and the Federal Prosecutors' Office, and brokered by the National Petroleum Agency (ANP) and the Brazilian Institute for Renewable Natural Resources (Ibama). Funbio is financial manager.



Celebrations

- 14 people trained in Funbio's execution procedures
- 7 projects undertaken: Multifishing, by the Educational Foundation for Science and Development – FECD; Characterisation of Underfished Marine Species, by the Educational Foundation for Science and Development – FECD; Atlantic Bonito Project, by the University of Rio Grande Support Foundation – FAURG; Ecoral, by the Brazilian Biodiversity Institute – BrBio; Seahorse (Syngnathidae: *Hippocampus*) Bioecology and Bycatch Study conducted by the Marine Aquaculture Laboratory – LABAQUAC; the Brazilian Sardine Project, Vale do Itajaí University Foundation – UNIVALI; and Multisar, by the University of Rio Grande Support Foundation – FAURG

Ecorals Project supported by Marine Research, Búzios/RJ



3

project calls

15

projects selected



PARTNERS



■ **TOTAL FUNDING**
R\$ 13.7 million
(after monetary
correction)

■ **DURATION**
From 2015 to 2019

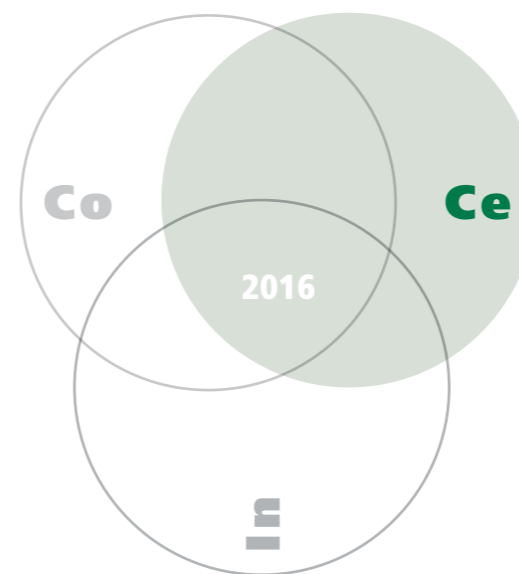
Franciscana Conservation

Franciscana Management Area I

The franciscana (*Pontoporia blainvillei*) is a small cetacean found along the South-American coast from Argentina to the north of Espírito Santo in Brazil. At Management Area I (FMA I), between Macaé in Rio de Janeiro and Itaúnas in Espírito Santo, an estimated 100 individuals die each year due to pollution and accidental by catch. Genetic studies reveal that the franciscana is not a very genetically-diverse species, probably in virtue of its relative isolation, low population numbers present or past, or its recent colonization of the area.

The project's main aims are to support franciscana conservation by generating and circulating scientific knowledge about the species at FMA I and to finance technical and scientific studies to further the "National Action Plan for the Conservation of the Small Cetacean *Pontoporia blainvillei* (Franciscana NAP)".

Project funding comes from the Conduct Adjustment Agreement (Consent Decree) between Chevron Brazil and the Federal Prosecutors' Office, and brokered by the National Petroleum Agency (ANP) and the Brazilian Institute for Renewable Natural Resources (Ibama). Funbio is financial manager.



Celebrations

- Sightings of the rare mammal during the first commissioned fly-over along the São Paulo coast (Management Area II). The data collected will serve as a useful basis for comparison during fly-overs in Management Area I
- Two projects undertaken: The Franciscana in Espírito Santo, by the Noel Rosa Cultural and Fisheries Association; and Franciscana Abundance and Distribution in Management Area I, through aerial monitoring by the Rio Grande do Sul Aquatic Mammals Study Group – GEMARS

Franciscana dolphins sighted along the São Paulo coastline



| Support for PAs

Conservation and Sustainable use of Biodiversity at Federal Coastal and Estuarine Protected Areas in the State of Rio de Janeiro

The project will support five coastal and estuarine Protected Areas in the state of Rio de Janeiro in order to forward biodiversity conservation, the sustainable use of fisheries resources and artisanal fishing techniques.

The three projects were contracted in 2016 and are scheduled for completion in 2019. Funding comes from the Conduct Adjustment Agreement (Consent Decree) between Chevron Brazil and the Federal Prosecutors' Office and brokered by the National Petroleum Agency (ANP) and the Brazilian Institute for Renewable Natural Resources (Ibama). The support measures for PAs and Environmental Education in Rio de Janeiro both received R\$ 13.2 million in funding and the Rehabilitation Center, a further R\$ 2.3 million.

| Environmental Education in Rio de Janeiro

Implementation of Environmental Education and Income Generation Projects for Fishing Communities on the Northern Shore of Rio de Janeiro

The main aim of the project is to foster environmental education and income-generation among fishing communities in Rio de Janeiro so as to contribute to the environmental, social and economic sustainability of artisanal fishing practices in coastal and marine zones of the state.

| CRAS Rio de Janeiro

Wildlife Rehabilitation Center in Rio de Janeiro Project to set up a Wildlife Rehabilitation Center in the State of Rio de Janeiro

The main goal of this project is to instal a permanent, fully-staffed Wildlife Rehabilitation Center adequately-equipped to:

- I routinely receive, rehabilitate and relocate (or release back into the wild) rescued marine fauna
- II receive, de-oil, rehabilitate and relocate (or release back into the wild) wildlife affected by oil spills
- III conduct wildlife-protection actions during environmental emergencies involving oil spills
- IV administer courses and training on wildlife rehabilitation and the protection of fauna affected by oil spills

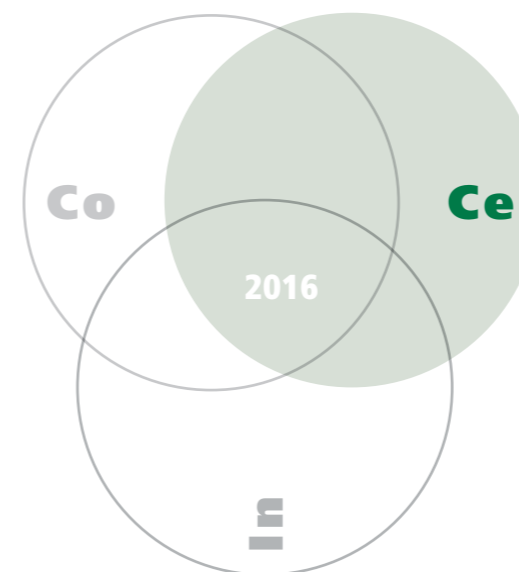
TOTAL FUNDING
R\$ 10.9 million

DURATION
From 2007 to 2017,
though subject to
extension in the
event of a new
Technical Cooperation
Agreement

Fauna Brazil Portfolio

Data from the ICMBio indicates that Brazil has roughly 1,173 endangered species, among land animals, fish, mammals and aquatic invertebrates, and most of these are concentrated in the Atlantic Forest. Redressing this situation will take a lot of work and funding. In partnership with the ICMBio, Ibama and the Federal Public Prosecutors' Office, Funbio created the portfolio for the Conservation of Brazilian Fauna and Fisheries (the Fauna Conservation and Brazilian Fisheries Portfolio), a financial mechanism that draws funds from environmental sanctions and fines, donations, sponsorship agreements, Conduct Adjustment Agreements (Consent Decrees), offset measures for environmental licensing and other sources, and channels these resources into conservation projects for endangered species.

In 2016, the Portfolio helped save and protect six endangered species: the Spix's macaw (*Cyanopsitta spixii*); the greenback parrotfish (*Scarus trispinosus*), the striped parrotfish (*Scarus zelindae*); the grey parrotfish (*Sparisoma axillare*); Agassiz parrotfish (*Sparisoma frondosum*); and sea cow (*Trichechus manatus*). The project also reestablished the Technical Commission on Fauna, composed by two representatives from Funbio's Advisory Board and one apiece from the ICMBio, Ibama and the Public Prosecutors' Office.



Celebrations

- Transportation of 12 Spix's macaws to a breeding unit at the Spix's Macaw Association's Fazenda Cachoeira facility, devoted to the reintroduction of endangered species
- Support for recovery plans for the greenback parrotfish (*Scarus trispinosus*), the striped parrotfish (*Scarus zelindae*); the grey parrotfish (*Sparisoma axillare*); and Agassiz parrotfish (*Sparisoma frondosum*)

Mated pair of Spix's macaws at the "Macaws in Nature" Project



6

target species

PARTNERS



MINISTÉRIO DO
MEIO AMBIENTE



■ TOTAL FUNDING
R\$ 1,1 million

■ DURATION
From 2016 to 2019

Caçapava

Pecuniary Compensation for Environmental Damage Caused by the Aerovale Undertaking in Caçapava/SP

The project, part of a Conduct Adjustment Agreement (Consent Decree) to the value of R\$ 1.1 million, will focus its actions on the municipality of Caçapava in São Paulo. Funbio was chosen by two companies entering into a Definitive Conduct Adjustment Agreement (Consent Decree) with the São Paulo State Prosecutors' Office to assume the financial and operational management of the resources, which will be used to develop management plans and new signage for two of the municipality's Protected Areas (PAs): The Serra do Palmital Environmental Protection Area, and the Mata da Represa Wildlife Reserve, together spanning some six thousand hectares. The funds will also be used to reform the kennel for cats and dogs maintained by the Associação Melhores Amigos dos Animais de Caçapava – AMAIS, and to set up a regional Zoonosis Control Center.

In 2016, a project was drawn up for a sewage system for AMAIS and work got underway on management plans for the Serra do Palmital Environmental Protection Area and the Mata da Represa Wildlife Reserve.

The Serra do Palmital Environmental Protection Area



Special Projects Unit



TOTAL FUNDING
USD 2.7 million*

* Project sums converted into US dollars (exchange rate as of the last day of the month of the contract's signing)

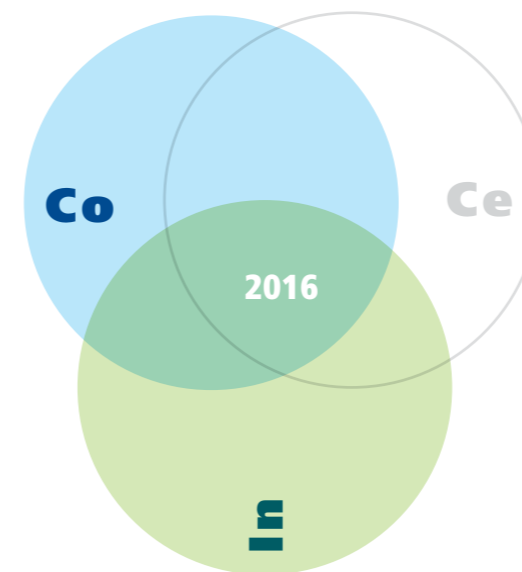
DURATION

From 2015 to 2018

Project K – Knowledge for Action

The Knowledge for Action project is a joint initiative by the Latin-American and Caribbean Network of Environmental Funds (RedLAC) and the Consortium of African Funds for the Environment (CAFÉ). Together, the two networks represent 40 funds from 30 countries. Funbio's role is to manage the project, which is divided into four components: innovation in financial mechanisms; mentorship between peers and groups of funds; a web platform; and network-building.

Funding sources: French Facility for the Global Environment (FFEM), The MAVA Foundation and GEF.



Connections

- OProject K and the 8 thousand people attending the IUCN World Conservation Congress in Hawaii
- Members of Project K funds and donors, civil society and company representatives at the 7th CAFÉ Assembly in Malawi
- Representatives from the funds and key figures behind environmental funding at the 18th RedLAC Assembly in Brasília
- Two continents (Latin America and Africa), through seven mentorship plans involving 20 environmental funds

Innovations

- Organization of a National Geographic storytelling bootcamp in Brasília
- USD 200 thousand to support five innovative financial-mechanism pilot projects, including the Funbio-designed Forestry Innovation project, selected from proposals submitted by the member funds

Mozambique, Maputo Special Reserve



THÉOPHILE ZOGNOU
CEO of Sangha Tri-National Trust Fund, and member of the Advisory Board of the Fund for Assistance to Environmental Defenders in Central Africa

“ Taking part in the Project K workshops brings multiple benefits, such as enhanced communication, the acquisition of specialist knowledge, networking, motivation and a boost in confidence. ”



Projeto K: Storytelling with National Geographic

Storytelling is part of life in society. We tell stories in order to entertain, inform, forge ties and influence each other. At the 18th RedLAC Assembly, Project K hosted the National Geographic Storytelling Bootcamp, at which participants were taught to use storytelling techniques when talking about their fund's work. This was the first time the National Geographic Society, the source of some of the world's most compelling environmental narratives since its creation in 1888, organized an external bootcamp in partnership with environmental funds.

5

members
trained

5

new innovative financial-
mechanism pilot projects
supported

30

countries involved

40

Environmental Funds

7

Mentorship plans backed



Members of RedLAC and CAFÉ at the Chapada Imperial/Brasília

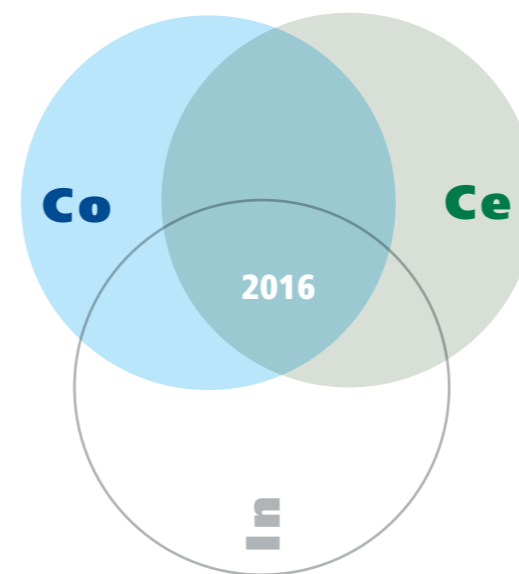
TOTAL FUNDING
USD 700 thousand

DURATION
From 2015 to 2017

Moore Sustentabilidade

(part of Commitment to the Amazon –
Arpa for Life)

The project is a partnership between the Gordon and Betty Moore Foundation and the Arpa Program, and pursues the aim of achieving financial sustainability for Protected Areas in the Amazon, including those run by Arpa, by consolidating compensation mechanisms and alternative funding sources for four key Brazilian Amazonian states (Amapá, Pará, Rondônia and Amazonas).



Connections

- Over 200 people at the Cuiabá and Belém editions of Sustainable Dialogues, in partnership with the Brazilian Association of Prosectors for the Environment (Abrampa). On the agenda was the potential use of environmental compensation deposits for biodiversity conservation
- Partnership with the Pro-PA Coalition and with Ideflorbio on hosting the twin editions of Sustainable Dialogues in the state of Pará. The coalition is made up of NGOs, such as WWF, Imaflora, SOS Atlantic Forest, The Nature Conservancy and Semeia

Celebrations

- The launch of the Amapá Fund, designed with the project's support and with Funbio as financial manager



Costus sp. Amazonian National Park, Pará, ICMBio

“

GUILHERMO CASTILLEJA
Board Member, Gordon
and Betty Moore
Foundation

For the Gordon and Betty Moore Foundation, partnering with Funbio has been one of the most productive engagements the foundation has had. We look forward to our continued partnership with Funbio for the conservation of the Amazon forest for future generations.

”

Turu palm, *Oenocarpus bacaba*, Uatumã SDR, Amazonas, SEMA/AM



DIÁLOGOS SUSTENTÁVEIS

Created by Funbio in 2006, the debates series Sustainable Dialogues was reformulated in 2016. What started off as a discussion with the private sector became a mobilization to engage the third sector and juridical specialists on the challenges and opportunities of channeling legal obligations into conservation funding. Two events were held in 2016, one in Cuiabá (in the state of Mato Grosso) and the other in Belém (in the state of Pará), both in partnership with the Pro-PA Coalition "Caring Together" and the Brazilian Association of Prosecutors for the Environment (Abrampa).



TOTAL FUNDING

USD 1.5 million*

* Project sums converted into US dollars (exchange rate as of the last day of the month of the contract's signing)

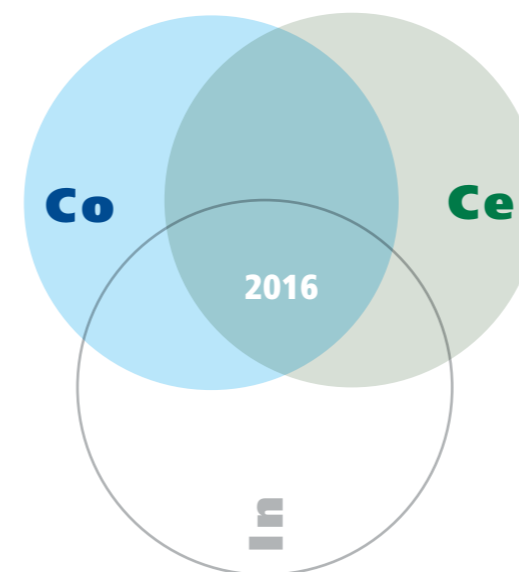
DURATION

From 2014 to 2016

Juruti

Promotion of sustainable territorial development in Juruti and environs

Completed in 2016, the project was designed to introduce sustainable economic practices into the mining context in Juruti, Pará, an area undergoing major transformations due to bauxite extraction. The initiative was financed through the Probio II Opportunities Fund, in partnership with the Sustainable Juruti Fund (Funjus) and the Sustainable Juruti Council (Conjus), and supported the development of three production chains: forestry, fisheries and family smallholdings. Funjus and Conjus recently merged to create the Sustainable Juruti Institute (IJUS).



Connections

- Between forty fishermen and market best practices through the purchase and distribution of 40 fishmonger's kits, 730 items in total, including stall displays, tents and scales

Celebrations

- 13 seminars on fishing, organics, forestry and flour-making, with nearly 300 participants
- Conclusion of a business plan based on economic and financial viability studies for a fishing entrepôt
- Conclusion of a business plan for a cassava flour production chain
- Provision of consultancy to map the forest chain



Fishmongers fair in Juruti/Pará



Port of Juruti/Pará

TOTAL FUNDING
R\$ 90 thousand

DURATION
From 2015 to 2016

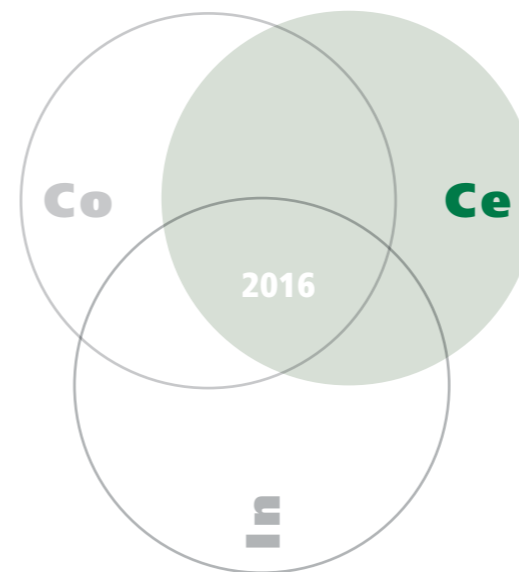
Lower Negro River Mosaic

Governance and financial sustainability study on the protected areas mosaic on the Lower Negro River

According to the National Protected Areas System – SNUC (BRAZIL, 2000), Protected Area Mosaics can be created where numerous PAs are clustered, adjacent or overlapping. Mosaic management should be integrated, whilst bearing in mind the distinct objectives for which each PA was created, the scope of its biodiversity and sociodiversity and its sustainable development potential.

The Lower Negro River Mosaic (LNRM) straddles 14 protected areas (PAs) together covering seven million hectares of the state of Amazonas (an area the size of Austria). Located in a highly biologically and socioculturally diverse region, the mosaic faces numerous shared-management challenges, not least keeping the environmental organs mindful of the importance of concerted action among protected areas.

The project, run in partnership with the Fundação Vitória Amazônica (FVA) and the Arpa program, worked jointly with the Mosaic’s ruling body to propose a governance model and financial sustainability strategy for the Lower Negro River Mosaic.



Celebrations

- Participation in a workshop on LNRM governance in Brasília, where we presented a new governance model for that included cost-modeling for the mosaic’s action plan and a study on 60 potential funding sources



Rio Unini Extractive Reserve, Amazonas – ICMBio



TOTAL FUNDING
R\$ 444 thousand

DURATION
From 2015 to 2016

GEF Mangrove

Effective conservation and sustainable use of mangrove ecosystems in Brazil

Brazil has 55 Protected Areas (PAs) containing mangroves, which shore up the coastline and provide resources that underpin the economies and wellbeing of the surrounding communities. However, human activities are a constant source of pressure upon these PAs, which are in dire need of a robust consolidation strategy.

The project is a partnership between Funbio and the ICMBio, UNEP and the Conservation Strategy Fund (CSF) and is intended to analyse the funding needs of PAs containing mangroves, determine the best economic and financial instruments to support the ecosystem's financial sustainability, and study the benefits mangroves provide locally, regionally and globally.

In 2016, the project analysed 28 federal PAs and identified the need for R\$150 million in additional consolidation and maintenance funding over the next 10 years. The study also pinpointed upwards of 30 potential funding sources, including the sale of environmental services, REDD, Blue Carbon, environmental compensation and visitation. Twenty managers attended a training course on economic instruments in Pernambuco.

TOTAL FUNDING
USD 160 thousand*

* Project sums converted into US dollars (exchange rate as of the last day of the month of the contract's signing)

DURATION
From 2016 to 2017

Support for BIOFUND

Mozambique is a country with abundant natural resources, and roughly 23% of its surface area is environmentally protected. The initiative, financed by the KfW, is a partnership between Funbio and the consultancies GITEC (Germany) and Verde Azul (Mozambique), and endeavours to capacitate the Mozambican Foundation for Biodiversity Conservation (BIOFUND) to move forward with its operations. Funbio's aim is to structure the processes required by the donors, such as disbursement conditions and analysis of the projects receiving support, and to draft a BIOFUND operations manual (OM) in order to systematize those processes.

The project began in June 2016 and Funbio supported its development in processes of selection, execution and reporting. It also organized a training program on financial procedures for 20 participants involved with protected areas in Mozambique.



Leatherback turtle at the Ponta do Ouro Marine Reserve in Mozambique

■ **TOTAL FUNDING**
USD 30 thousand

■ **DURATION**
From 2016 to 2017

BioGuinea

Financial strategy for a protected-areas system in Guinea-Bissau

The Knowledge for Action Project supports eight mentoring plans with environmental funds in Latin America and Africa. Funbio mentors the BioGuinea Foundation in the development of financial mechanisms.

To get the one-year initiative up-and-running, Project K provided grants of USD 30 thousand. In 2016, two representatives from BioGuinea and the Chairman of the Biodiversity and Protected Areas Institute (IBAP, an organ similar to ICMBio in Brazil) visited Funbio to receive training in financial mechanisms and funding sources for conservation.

■ **TOTAL FUNDING**
USD 1.5 million*

* Project sums converted into US dollars (exchange rate as of the last day of the month of the contract's signing)

■ **DURATION**
From 2014 to 2017

Suruí Fund

The project is designed to finance the implementation of a management plan for the Suruí homeland in Rondônia and Mato Grosso. With a 50-year timeframe, its focus is on protection, monitoring, sustainable production, local capacitation, environmental conservation and cultural reinforcement.

The Suruí Fund was created by the Metareilá Indigenous Association, with Funbio's support, and its partners include the team from Amazonian Conservation (Ecam), the Kanindé Association for Ethnoenvironmental Defense, the Conservation and Sustainable Development Institute of Amazonas (Idesam) and Forest Trends. To finance the plan, a REDD+ project was developed along with a fund for income generated by the sale of carbon credit. Funbio designed the fund—which supports projects proposed by Suruí associations—and was its financial manager until 2016.

Toward the end of 2016, Funbio handed over the resources and financial management responsibilities to the Metareilá Indigenous Association, as stipulated at the fund's inception: once the technical cooperation phase was complete, the funds and financial management under the care of a non-indigenous organization were to be transferred to a Suruí indigenous association. The transfer occurred as contractually agreed by Funbio and Metareilá.

TOTAL FUNDING
USD 200 thousand

DURATION
From 2016 to 2018

Forestry Innovation

The initiative was one of five selected for 200 thousand-US dollar grants from Project K – Knowledge for Action, in 2016. The main aim is to design a financial mechanism to promote the socio-economic development of the territory surrounding the Jirau Hydroelectric Plant, based on the different chapters of the forestry cycle, such as: restoration, reforestation, and logging and no-logging forest management.

The project is fruit of a partnership between the energy-sector multinational Engie and Funbio, which jointly conducted a public consultation in 2015 on the opportunities and limitations in the use of timber derived from Authorized Vegetation Suppression, a license issued by the relevant environmental organs.



Uatumã SDR, Amazonas, SEMA/AM

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Ação Social Diocesana de Santa Collection Southern Cross – ASDISC
Page 15 (TFCA supports new projects)

Associação do Movimento Collection Interstadual das Quebradeiras de Coco Babaçu – AMIQCB
Page 34

Ecorais Collection
Pages: 17 (Nine projects selected for research on the coasts of the states of Rio de Janeiro and Espírito Santo), 100

Funbio Collection
Pages: 16 (Our team celebrates Funbio's 20th anniversary in the heart of the Atlantic Forest), 20 (Funbio and partners at COP 13)

Rio Grande do Sul Study Group on Aquatic Mammals – GEMARS Collection
Page 102

Instituto Ekos Collection
Page 108

Instituto Raoni Collection
Pages: 33, 69

Health and Happiness project collection
Page 32

Alexandre Ferrazoli/Funbio
Pages: 13 (In Pará, lodgings, seedlings and training), 71, 72, 80

Conservation International/ photo by Andrew Schatz
Page 92

Danielle Calandino/Funbio
Pages: 17 (Over R\$ 3 million for the conservation of the Kayapó Homeland), 70

Domingos Luna
Page 82

Flavia Neviani/Funbio
Pages: 83, 84

Flávio Rodrigues/Funbio
Pages: 13 (A million native trees for the Amazon), 16 (Our 20th anniversary), 21, 22, 23 (We celebrate our 20th anniversary alongside our “brothers” from the Latin-American and Caribbean Network of Environmental Funds at the 18th RedLAC Assembly in Brasília), 77, 78, 113, 114

José Caldas
Pages: 18 (New phase of FMA/RJ has Funbio as operational manager), 93, 94, 95, 96, 97, 98

Jose Carlos Ferreira
Pages: 16 (In Mozambique), 111, 124

Julio Itacaramby
Page 74

Leonardo Geluda/Funbio
Pages: 19 (Sustainable Dialogues discusses PA funding), 117

Marco Rodrigues
Page 24 (Members of the Deliberative Board the Funbio Team)

Marcus Vinicius Romero Marques
Page 106

Mario Lins
Pages: 19 (Latin America in Brasília), 23 (Sebastião Salgado: photography and passion for conservation. Speaking at the RedLAC Assembly), portraits Aïcha Sidi Bouna and Maria José González, 76

Mauricio Paiva/FVA Collection
Page 122

Marizilda Cruppe
Cover (Amazonian National Park, ICMBio)
Pages: 16 (Arpa reaches its community integration target), 36, 44, 46, 47, 48, 49, 50, 59, 60, 62, 63, 65, 66, 115, 118, 128

Natalia Paz/Funbio
Page 14 (GEF Agency Funbio approves its first project)

Nathalia Dreyer/Funbio
Page 88

Sergio Safe
Pages: 109, 110, 119, 120