

Issue Brief: IFC's Brazil Amazon Initiative

AT A GLANCE:

- The Amazon, an important climate regulator for Brazil and for the planet, is in danger. Deforestation and burning in the Amazon produces 75% of the total greenhouse emissions in Brazil. Deforestation has reached 18% of the Amazon forested area, and occurs because of a complex mixture of lawlessness, lack of land titling, poverty, road construction, logging, pressure from cattle ranching, soy and other agriculture commodities and other factors.
- Over the years, IFC has made several investments to help companies operating in the Amazon raise their environmental and social standards, most recently the soy producer Amaggi, in which IFC invested \$60 million, and the meatpacker Bertin, in which IFC invested \$90 million. IFC is now proposing to scale up its efforts in order to develop sector-wide benchmarks and standards in agribusiness, forestry, access to finance, and biodiversity-related products.
- The program includes a package of investments and complementary advisory services. The core objectives of the program are: (1) to develop market based incentives for the conservation of the Amazon; (2) to contribute to reduced deforestation and biodiversity conservation; and (3) to address poverty alleviation by promoting sustainable value-chain business linkages and strengthening stakeholders' engagement.
- The program has three main pillars, and some of the activities under each of those pillars are:
 - Sustainable Management and Use of Forested Areas: Advisory services for forestry and non-timber forest product investment. Work to launch a sustainable forestry bond in Brazil
 - Sustainable and Intensive Use of Already Deforested Areas: Advisory services for agribusiness companies and support for the setting up voluntary sector-wide environmental and social standards for the beef and soy sectors in the Amazon Region
 - Access to Finance and Poverty Alleviation: Advisory services and development of Environment & Social standards for financial intermediaries.
- IFC is working with IBRD on projects like **Pará Rural**. One of the goals of the Pará Rural project is to help the state of Pará to develop a land titling system. Over time a reliable land titling system would be helpful for IFC clients in forestry or agribusiness seeking to work with their suppliers to ensure compliance with environmental and fiscal regulations.
- IFC is working with the Sustainable Beef Initiative, a multi-stakeholder (meat-processing companies, banks, NGOs, producers and buyers) initiative with the objective of setting standards for sustainable cattle ranching in Brazil.
- IFC has initiated discussions with public and private banks operating in the Amazon region. IFC sees potential to set new standards particularly with financial institutions such as the Brazilian Development Bank and the Brazilian Amazon Bank that have requested IFC assistance in developing environmental standards for the Amazon.

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