



# Annual Report Brazil 2023

Conservation Strategy Fund

# Dear Friends and Partners,

As we reflect on the progress made in 2023, I am pleased to share the achievements of CSF Brazil. Our collaborations with governments, communities, funders, and farmers have been instrumental in enhancing how economic principles can improve decision-making.

This year, CSF Brazil has solidified its role as an innovator with the development of new online valuation tools. The Management Cost Calculator for Indigenous Lands, developed in partnership with ISA and Rede Xingu+, is an innovative tool that will significantly enhance the management and conservation of these lands and transform how communities and associations budget their conservation activities. The [“Mining Impacts Calculator”](#) has been successfully adapted and launched in Peru, Colombia, and Ecuador. Additionally, we are developing the new Deforestation Impacts Calculator. These tools help stakeholders understand the economic damages of unsustainable practices and promote investments in monitoring and sustainable technologies, thus improving environmental management.

Furthermore, CSF Brazil has enhanced its role in critical areas related to carbon and climate policies. We are supporting project developers providing expert advice to design effective carbon projects that prevent deforestation and encourage forest restoration through agroforestry. This year we advised the Brazilian government on the best methods to integrate carbon revenues into forest concessions projects, and, in another context, we supported local

communities in understanding the risks and potentials of carbon projects aimed at strengthening the bioeconomy in the Amazon.

Each of these projects not only aims to achieve positive environmental outcomes but also ensures that these outcomes are economically sustainable and replicable, contributing to a development model that benefits both people and the planet. Looking ahead to 2024, we anticipate further opportunities to expand our influence and will continue working to ensure that policies and human behaviors recognize that economic development and the conservation of natural resources can be complementary objectives.

I sincerely thank all our partners, funders, and the dedicated CSF team for their ongoing commitment and support.

**With respect and gratitude,**

**Pedro Gasparinetti.**  
*CSF Brazil Director*

# 2023 Project Overview

## Strengthening Protected Areas Management

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# Strengthening Protected Areas Management



## Management Cost Calculator for Indigenous Lands

Associations and communities engaged in the implementation of Management Plans for Indigenous lands frequently encounter challenges in accurately budgeting their activities. To address this, CSF, in collaboration with ISA and Rede Xingu+, is developing an innovative tool.

This model utilizes both historical and hypothetical data to predict budget levels for various management activities, which varies depending on the characteristics of each Indigenous land, such as its size and the level of threat it faces. The “Management Cost Calculator” is designed to enhance the management and conservation efforts of these lands. Throughout 2023, CSF focused on conducting the econometric analyses to support the development of this tool. The anticipated launch of the website in June 2024 marks a significant milestone in our efforts to provide practical, data-driven support to Indigenous land management.

(Partners: ISA e Rede Xingu+)

## Designing a New Indigenous Fund in the Amazon

This project focuses on the creation of a fund to finance the implementation of Territorial and Environmental Management Plans (PGTA) in Indigenous lands within the Xingu region. In collaboration with ISA and Rede Xingu+, CSF is developing recommendations for fund governance, distribution, and structural framework. We are also preparing a step-by-step guide for the fund's development and conducting a capacity-building process with stakeholders. The initiative aims to bolster biodiversity conservation, reinforce Indigenous cultures, and promote sustainable development throughout the Xingu region. The project's progress and strategic insights will be showcased at the General Assembly of Rede Xingu+ in May 2024.

(Partners: ISA e Rede Xingu+)



# Incentives for Sustainable Production: Carbon, Bioeconomy and Commodities

## Incentives for Sustainable Soy Farmers in Maranhão

In this project CSF promoted economic incentives for sustainable soybean production in the state of Maranhão through a series of three workshops that (i) trained farmers on how to access credit lines with lower interest rates for sustainable producers, and (ii) disseminated successful cases of the first pioneer producers to access these credit lines in the region to build awareness and motivation. Leveraging CSF's extensive research, we have demonstrated that showcasing the achievements of neighboring producers serves as a powerful non-monetary incentive. This strategy effectively encourages new producers to adopt sustainable practices with both monetary and social incentives.

(Partner: Rede ILPF)

## Incentive Mechanisms to Strengthen Brazil Nut Value Chain

CSF advised OCA, a hub of brazil-nut collectors associations, on opportunities to design and implement a Payment for Ecosystem Service (PES) model to strengthen the brazil-nut value chain and Amazon forest conservation. We proposed a series of PES models that could be funded by the (i) carbon market; and (ii) public policies; and (iii) cooperation agencies. A critical aspect of our advisory focused on matching the potential scale of PES projects with the necessary resources to effectively operate them. Our proposals were presented at the national gathering of Brazil nut producers and received with enthusiasm, sparking detailed discussions on the potential and risks of carbon projects.

(Partner: IEB)



## CSF supports the development of a carbon project

CSF is designing a carbon project aimed at generating incentives to prevent deforestation and promote forest restoration through agroforestry in rural settlements. We are in the initial stages of conducting a comprehensive feasibility assessment and developing business plans. These efforts are focused on strengthening both forest restoration initiatives and the value chains for non-timber forest products. We anticipate providing more detailed updates on this project within 2024.

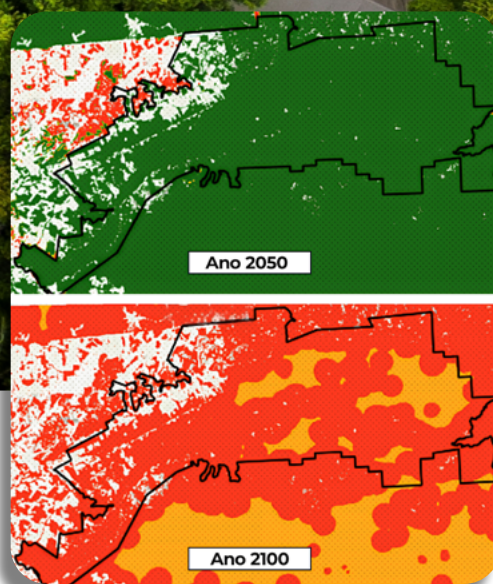
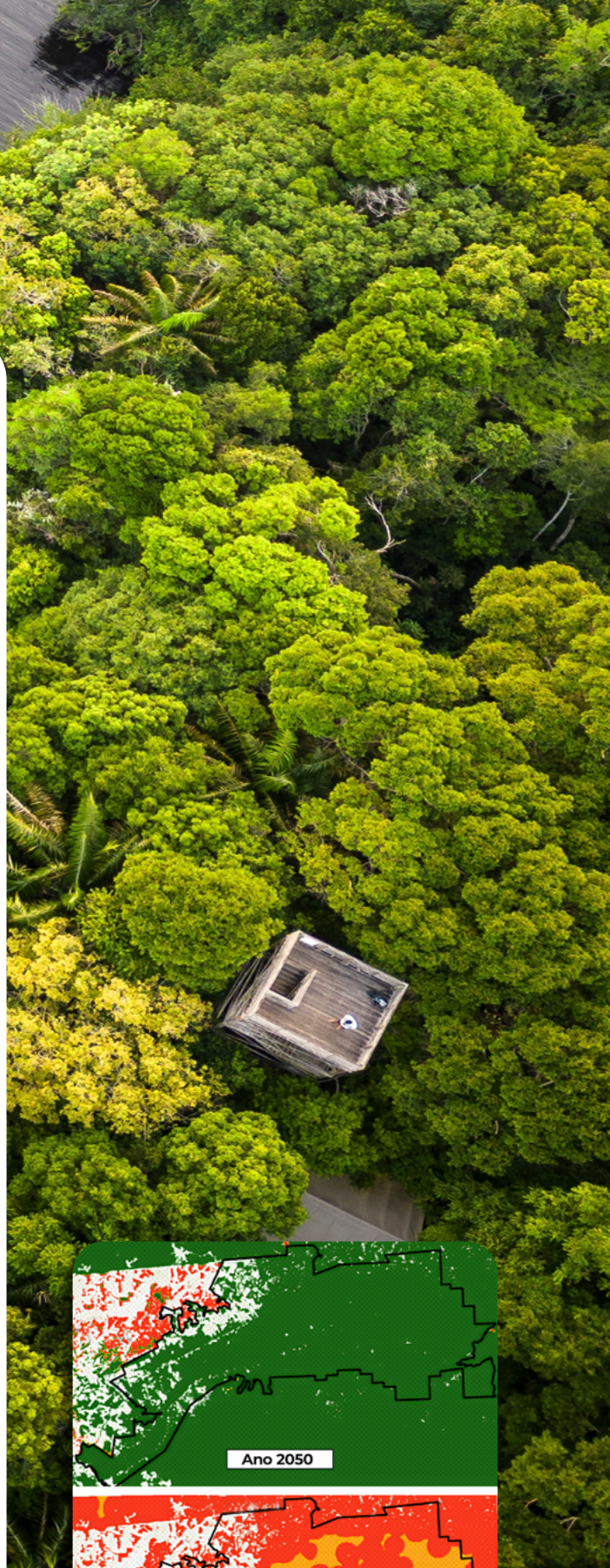


## Carbon Concession Models for Public Lands

In February 2023 CSF delivered two analyses with results and recommendations for the Brazilian Ministry of Environment that assess ways to incorporate revenues from the carbon market into public forest and extractive reserves concessions. The Nascentes do Lago Jari National Park has 812,000 hectares, and the Extractive Reserve Rio Ouro Preto, spanning 204,000 hectares and home to 171 families reliant on the production of Brazil nut, latex and manioc, who could also benefit from extra income from carbon.

We evaluated various concession models that could generate taxes and investments benefiting local communities. Our findings highlight the significant role of alternative methodologies for calculating additionality in influencing the economic outcomes of these projects. We recommend a baseline strategy based on average deforestation rates within the jurisdiction, allowing for resource allocation to regions not currently under immediate deforestation threat but potentially at risk in the future. Furthermore, we suggest adopting a variable concession fee model that adjusts according to future carbon market conditions, ensuring a more equitable distribution of business risks between the government and investors. This model supports the transition to agroforestry projects that not only generate carbon credits but also produce non-timber products, thus enhancing social co-benefits and providing long-term incentives for forest conservation.

(Funding: GIZ; Partner: Brazilian Ministry of Environment)



Predicted Deforestation in Resex Rio Ouro Preto (2050 and 2100 scenarios).

## Solving the Amazon Puzzle

In partnership with IPAM and supported by Norad, CSF is engaged in a critical five-year initiative aimed at addressing complex environmental challenges throughout the Amazon region. This project is strategically designed to: (i) End illegal deforestation in the Amazon. (ii) Foster a favorable environment for sustainable investments and jurisdictional REDD+ projects. (iii) Enhance the sustainability of production chains, particularly soy, in the region. In 2023, a significant milestone was achieved as CSF conducted a comprehensive 16-hour training session focused on the valuation and management of agro-environmental assets. This training was tailored for managers from environmental and agricultural government agencies across the Legal Amazon Brazilian states, equipping them with essential skills and knowledge to support our overarching project goals.

(Partner: IPAM; Funding: Norad)

## Planaflo, Brazilian Green New Deal

CSF is collaborating with partners to craft and disseminate an economic plan aimed at transforming Brazil into a sustainable agricultural powerhouse. In 2023, we reached a significant milestone by presenting this plan to various governmental agencies poised to benefit from it. The presentation was based on a series of studies conducted as part of the project, designed to lay the groundwork for sustainable agricultural practices and economic growth across the nation.

(Partners: FBDS, BVRio, FGV; Funding: Norad)





# Environmental Impact Assessment

## Mining Impacts Calculator

The Mining Impacts Calculator, launched in Brazil in 2021, can estimate damage values from mining operations for environmental fines, support monitoring investments and promote mercury-free technologies. In 2023, this tool was adapted and launched in Colombia, Peru, and Ecuador, with support from the Amazon Sustainable Landscapes Program and USAID. In the end of 2023, our third academic paper with a methodological update and case study was accepted for publication on [Resources Policy](#) (2024).

It assesses average social and environmental damages caused by gold mining depending on the mining technique, characteristics of the impacted population and ecosystem. The MPF has been using it in several compensation claims, totaling more than US\$ 9.3 billion against a securities company, Ourominas, and FD'Gold DTVM and Carol DTVM. In addition, the Federal Police has also used the tool to carry out dozens of calculations of environmental and social damage.

## Deforestation Impacts Calculator

CSF is developing another online valuation tool where users will be able to generate estimates of the socio-economic impacts of deforestation. It will encompass restoration costs and ecosystem services losses, considering geographic differences in the Brazilian Amazon and how they may impact damage values. We plan to launch it in July 2024.

(Funding: Open Society Foundation)



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