

2025



Eco Invest Brasil

*Eco Invest Brasil*

*2nd Blended Finance Auction  
Recovery of Degraded Lands*



## 1 2nd Auction - Guidelines



### ENVIRONMENTAL SUSTAINABILITY

- **Robust environmental framework aligned with the Climate Fund**
- **Zero deforestation program**
- **Increased productivity and better land use**



### SOCIOECONOMIC IMPACT

- **Productive inclusion of small and medium rural producers**
- **Strengthening domestic food supply**



### OBJECTIVES

- **Expectation of recovery of 1 million hectares**
- **Strategy to increase the results of the Caminho Verde Brasil Program**
- **Complement to other lines of agricultural financing**

## 2 2nd Auction - Support for the Caminho Verde Brasil Program



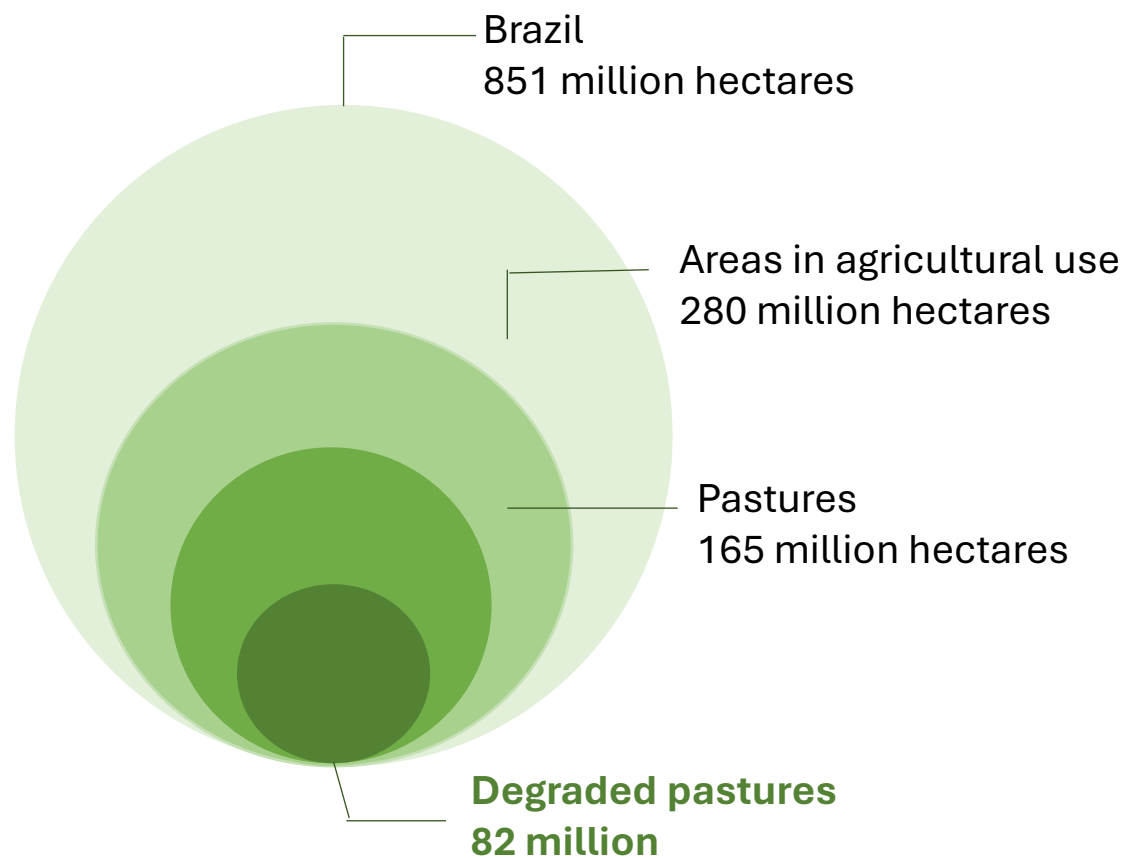
Proposal for recovery of  
**40 million**  
of hectares of degraded areas in  
**10 years**



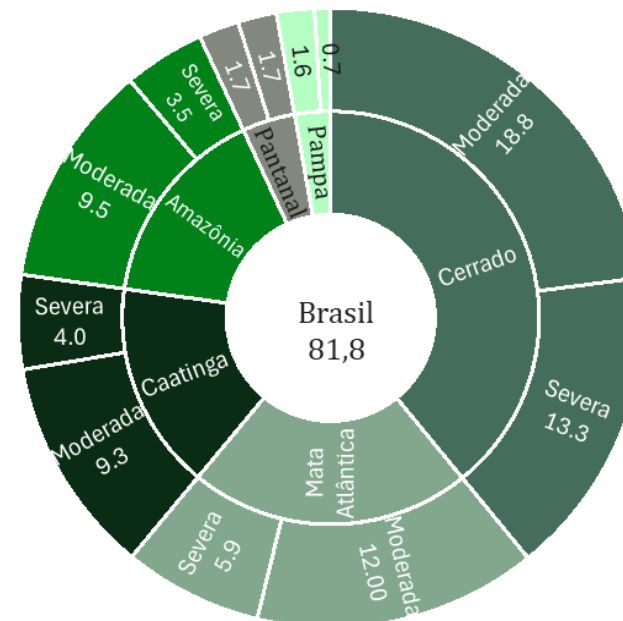
**Eco Invest Brasil**

Expected recovery of  
**1 million**  
of hectares of degraded land with the  
**2nd Eco Invest Auction**

## 3 2nd Auction - Context

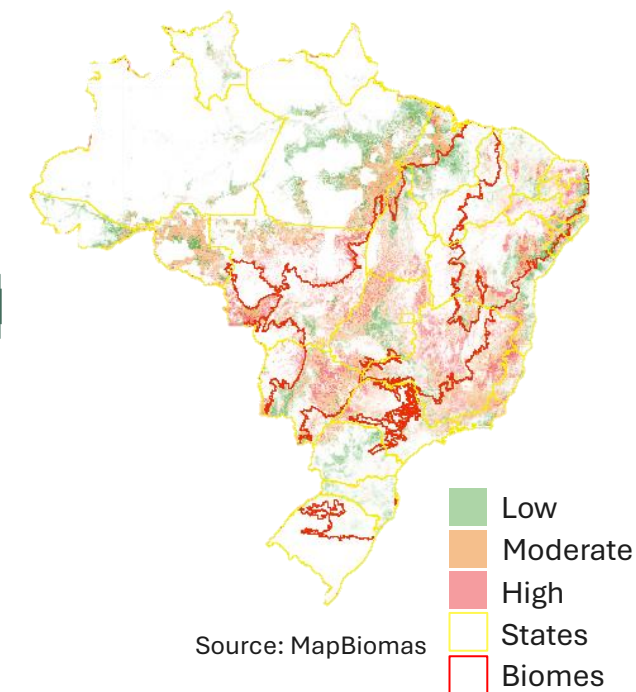


**DEGRADED PASTURES, BY BIOME, IN MILLION HECTARES (2023)**



Source: Embrapa (2023)

**PASTURE AREAS, BY DEGREE OF DEGRADATION (2023)**



**Opportunity to double the area of food production in Brazil without deforestation, avoiding expansion into areas of native vegetation**

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## 2nd Auction - Geographical scope

ATLANTIC  
FOREST



CERRADO



CAATINGA



PAMPA



PANTANAL



### ELIGIBLE BIOMES

Caatinga, Cerrado, Pantanal,  
Atlantic Forest and Pampa

The Amazon Biome and the municipalities that intersect with it will have an exclusive Eco Invest auction in the coming months, with customized criteria due to its specificity



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## 2nd Auction - Geographical scope

MATA  
ATLÂNTICA



CERRADO



CAATINGA



PAMPA



PANTANAL



AMAZÔNIA



**ELIGIBLE BIOMES**

All Brazilian biomes

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## 2nd Auction - Beneficiaries



### RURAL PRODUCERS

Individuals and legal entities that work directly in agricultural production

### RURAL PRODUCERS' COOPERATIVES

### COMPANIES LINKED TO AGRIBUSINESS PRODUCTION CHAINS (ANCHOR COMPANIES)



### LARGE SUPPLIERS

Bioinput manufacturers  
Catering companies  
Chemical industry  
Seedling nurseries  
Agrotechnology companies



### LARGE CLIENTS

Refrigerators  
Food processors  
Biofuel plants  
Pharmaceutical industry  
*Traders*

### POTENTIALITIES

Strengthening the production chain

Implementation of projects for the recovery of degraded lands

Dilution of monitoring costs

Spraying projects, expanding the Program's reach

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## 2nd Auction - Eligibility Criteria



**Active CAR, with no pending issues from the producer in relation to compliance with notifications issued by the competent bodies**



**Lands with some level of degradation, according to soil health analysis**



**Projects that require environmental licensing, authorizations and/or grants must explicitly state the forecast and commitment to carry them out in accordance with local legislation. Obligation to present licenses already obtained, including provisional ones**



**No illegal deforestation after 07/22/2008**

**No legal deforestation after 12/06/2023**



**In the case of land leasing, the contract must have a term at least equal to that of the financing contract.**

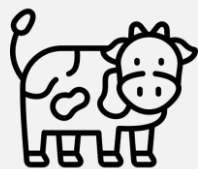


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## 2nd Auction - Fundable Activities



**PERENNIAL CROPS**  
**INTEGRATED SYSTEMS**  
(Crop, Livestock and Forestry)  
**FORESTS AND RESTORATION**



**LIVESTOCK AND ANNUAL CROP IN ISOLATED FORM**

Allowed as long as, after 3 years, they are integrated or commit to increasing the area of permanent vegetation cover by 5%\*



**STRENGTHENING  
SUSTAINABLE PRACTICES  
ON A LARGE SCALE**

- Complementarity with productive strategies
- Focus on long-term recovery considering sustainable production approaches
- **Stimulating plant restoration**
- **Socioeconomic inclusion**

\*Small and medium producers do not apply to these rules.

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## 2nd Auction - Activity Prioritization

# 50%

of the portfolio destined for food production, distributed between animal protein and crops





## 8 2nd Auction - Minimum allocation in the Caatinga biome



Caatinga has more than 13% of areas with moderate or severe degradation

**FIs must allocate at least 10% of resources to the recovery of the Caatinga**

If the minimum percentage is not reached, resources must be applied, on a non-refundable basis, to:



**Research & Development (R&D) projects; or**



**Activities to promote water resilience in the Caatinga**

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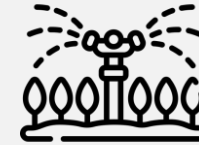
## 2nd Auction – Promoting water resilience



**All supported projects must incorporate practices aimed at water resilience, as indicated by the responsible technician**

Examples:

- **Rainwater collection and storage**
- **Efficient irrigation**
- **Use of drought-adapted plants**
- Soil conservation for greater water retention
- **Protection of springs, riparian forests and recharge areas**



### FINANCEABLE ITEMS

Center pivots with precision technology  
Drip and micro-sprinkler irrigation systems  
**Automation systems and sensors for irrigation**



### OTHER FORMS OF PROMOTION

Encouraging the use of integrated systems  
**Planting native species**  
**Use of mulch**



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## 2nd Auction - Socio-environmental counterparts

### Examples of Counterparts

1. **Soil recovery**
2. Technical assistance for: (1) the process of recovering degraded land; and (2) implementing sustainable practices aimed at mitigating soil degradation
3. **Water resilience practices**
4. Continuous balance of GHG emissions
5. Activities in compliance with ZARC, both for agricultural and livestock activities
6. **Zero illegal deforestation in the economic group**
7. **Zero legal and illegal deforestation on financed property**
8. **Course on labor legislation and occupational health and safety\***
9. **15% of women in the workforce\***

### Examples of Sustainable Practices

#### When there are agricultural activities:

1. Direct planting
2. Use of bioinputs and inoculants
3. Use of certified seeds
4. Cover planting
5. Pesticide packaging management

#### When there are livestock activities:

1. Pickets
2. Protecting water bodies from animals and installing drinking fountains
3. Animal traceability
4. Minimum density per hectare, following technical assistance protocols
5. Pasture rotation

#### When there are forestry and restoration activities:

1. Soil and water management and conservation, including minimum tillage and contour planting
2. Integrated pest and disease management
3. Use of bioinputs
4. Fire fighting plan

\*Small and medium producers do not apply to these rules.

## 9 2nd Auction - Monitoring



### DOCUMENTARY



Submission of documents, including self-declarations, technical projects and administrative records

### REMOTE



Use of satellite images, sensors or other georeferenced remote sensing technologies

### ON SITE



On-site technical inspections conducted by qualified professionals

### Remote

*Satellite imagery and sensors*

### Documentary

*Documents, including self-declared ones*

### On site

*Technical inspection*

**Soil health analysis will be mandatory at the beginning, middle and end of the project, to monitor the improvement of land quality**

Monitoring of the technical plan prepared by an agricultural engineer or responsible technician

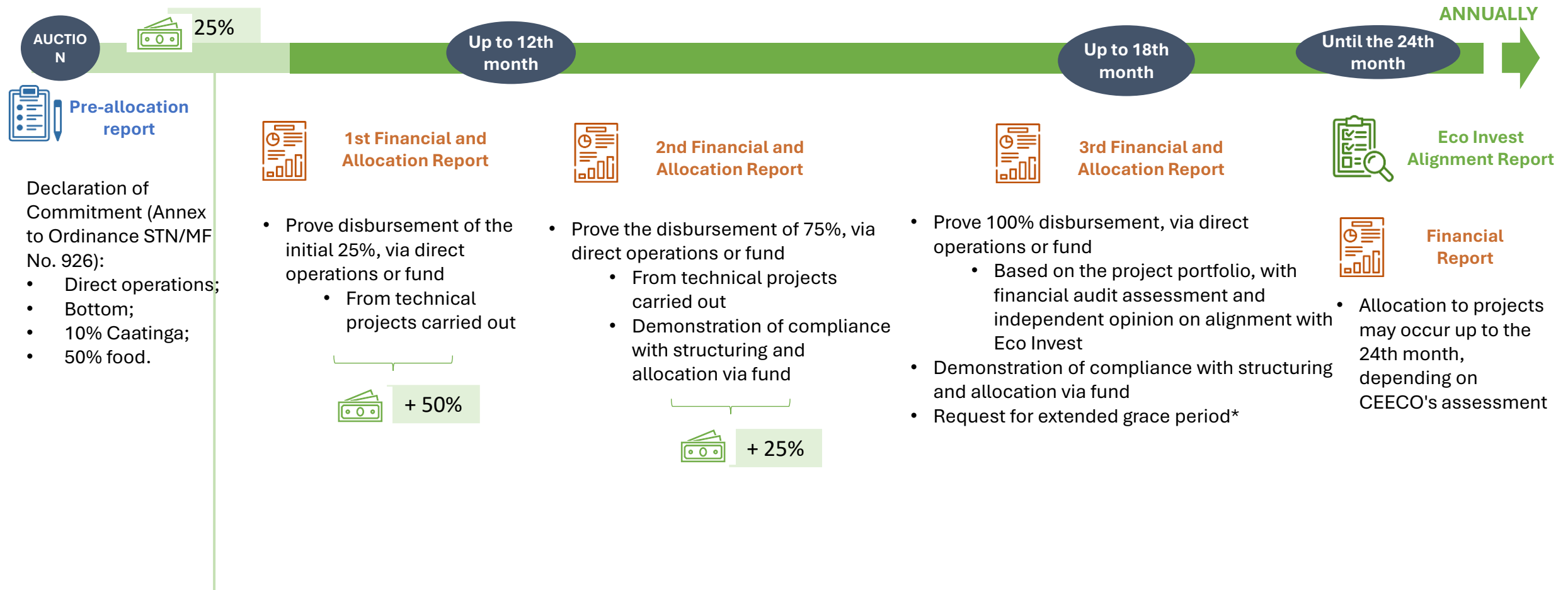
**Continuous MRV throughout the project financing**

**Sending reports with financial audit certification and SPO (Second Part Opinion)**



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## 2nd auction - Disbursement flow and evidence



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## 2nd auction - Transversal financeable items

### TECHNICAL PROJECT

Project preparation and technical assistance for implementation, maintenance and training. Expenses for studies, environmental licensing, other authorizations or grants necessary for the implementation of new structures on the property.

### SOIL ANALYSIS

Collection, transportation and laboratory analysis to assess fertility and recommend inputs.

### INPUTS AND BIOINPUTS

Acquisition of correctives, remineralizers, fertilizers and other inputs registered with MAPA, except agricultural pesticides.

### ADAPTATION AND CERTIFICATION

Services for obtaining labor, environmental and agricultural certifications.

### CONSERVATION PRACTICES

Construction of terraces, contour lines, retention basins, green manure and other techniques for soil and water conservation.

### SEEDS, SEEDLINGS AND NURSERY

Acquisition of seeds and seedlings of known and registered origin, suitable for the soil and microclimate.

### ACCESSIBILITY

Adaptation of production infrastructures and access according to technical criteria.

### FIRE PREVENTION

Fire management and fire prevention plan, including acquisition of specialized vehicles.



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## 2nd auction - Transversal financeable items

### EFFICIENT USE OF WATER

Installation of filters, drip irrigation and water saving solutions.

### DEFENSIVES

Pest monitoring and control with integrated management, biological control and traps, respecting environmental standards.

### MACHINES AND EQUIPMENT

Purchase of capital goods for agriculture, livestock and forestry. Includes irrigation (with licensing), composting, biodigestion and waste treatment. National suppliers should be prioritized.

### PRODUCTIVE INFRASTRUCTURES

Construction and modernization of facilities linked to the financed activity. Includes water collection, pumping and distribution. Storage is not included.

### STORAGE

Construction of warehouses linked to the financed activity, without isolated operation.

### RENEWABLE ENERGY

Implementation of renewable energy generation for own use and financed activities.

### DIGITAL RESOURCES

Purchase of computers, software and equipment for management, automation and monitoring. Includes machines, assistive technologies and drones.

### PROTECTIVE EQUIPMENT

Supply of PPE, EPCs and signage materials.

## 10 2nd auction - Specific financeable items for livestock farming

### ANIMALS

Acquisition of cattle, buffaloes, sheep and goats for reproduction, rearing and finishing, provided that it involves genetic improvement. Includes semen, eggs and embryos for production systems integrated with livestock.

### ANIMAL MANAGEMENT

Construction, adaptation and maintenance of facilities such as corrals, fences and drinking fountains. Intended for production systems integrated with livestock (ILPF, IPF, ILP and silvopastoral systems).

### ANIMAL COMFORT

Structures to improve animal welfare and reduce abiotic stress in integrated livestock production systems.

### ELECTRONICS

Individual traceability of cattle, goats, sheep, buffalo and pigs in financed integrated production systems.

### SYSTEMS

Systems for the treatment of waste and residues from animal production. Includes bioenergy and composting in production systems integrated with livestock.

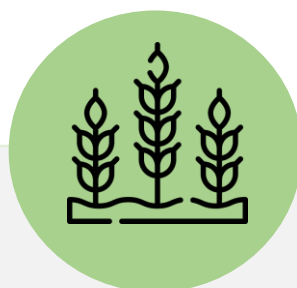


## 11 2nd Auction – Auction criteria



### FINANCIAL LEVERAGE

- **FIs compete based on financial leverage, with minimum leverage of 1.5 and sequential bands of 0.25**
- **Minimum bid of R\$100 million**



### HECTARES TO BE RECOVERED

- **For each leverage band, proposals will be ranked in descending order, according to the FI's commitment to the number of hectares to be recovered.**



### IMPACT INDEX

- **In the event of a tie in the number of hectares to be recovered, preference will be given to FIs that commit to mobilizing a greater volume of external capital.**

## 11 2nd Auction – Financial characteristics



### PRIVATE FUNDING STRUCTURE

- **FIs must raise at least 60% of investment resources from external sources, and may raise the remainder internally in the country.**
- **Direct credit operations or via Eco Invest Funds**



### FINANCIAL INFORMATION

**Cost of 1% per year, term of 10 years and grace period of up to 3 years**



### FREE RATE

FIs will have autonomy to define the final rate for the borrower, taking into account the attractiveness of eligible activities and the risk associated with each beneficiary, stimulating competitiveness in the auction

## 11 2nd Auction – Incentive for the creation of Eco Invest Brasil Funds

- Structuring of new Funds
- **They can only invest in eligible projects from the Degraded Land Auction**
- Fund name must include “Eco Invest Brasil”, following the rules of the Brazilian Securities and Exchange Commission (CVM)

### **FIs MUST ENSURE THE REQUIRED LEVERAGE AND MAY USE:**

- Own resources
- Direct investment in projects
- Raising other investors or catalytic funds/sponsors



### **INCENTIVE**

**FIs that invest at least 30% of their portfolio via Eco Invest Brasil Funds will gain 1 additional year of grace, totaling 3 years**

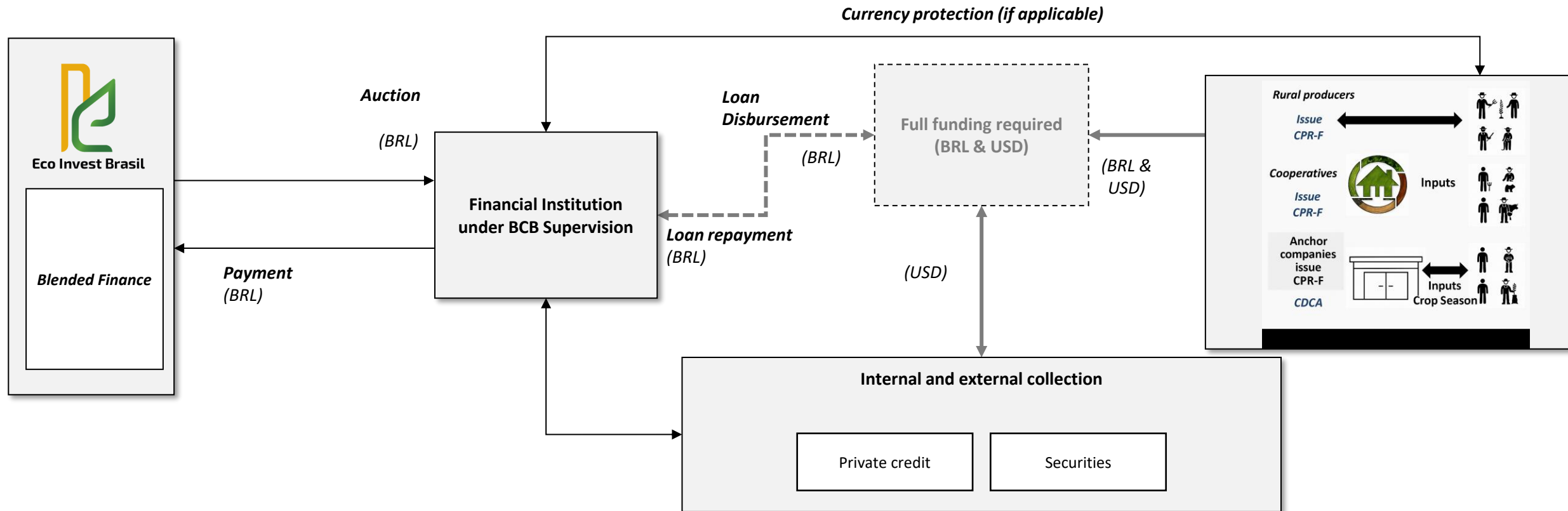
### **POTENTIALITIES**

- Expansion of credit opportunities and integration into production chains
- **Facilitates the inclusion of small and medium-sized producers via cooperatives or anchor companies, considering the expansion of the scale of financing and dilution of monitoring costs**



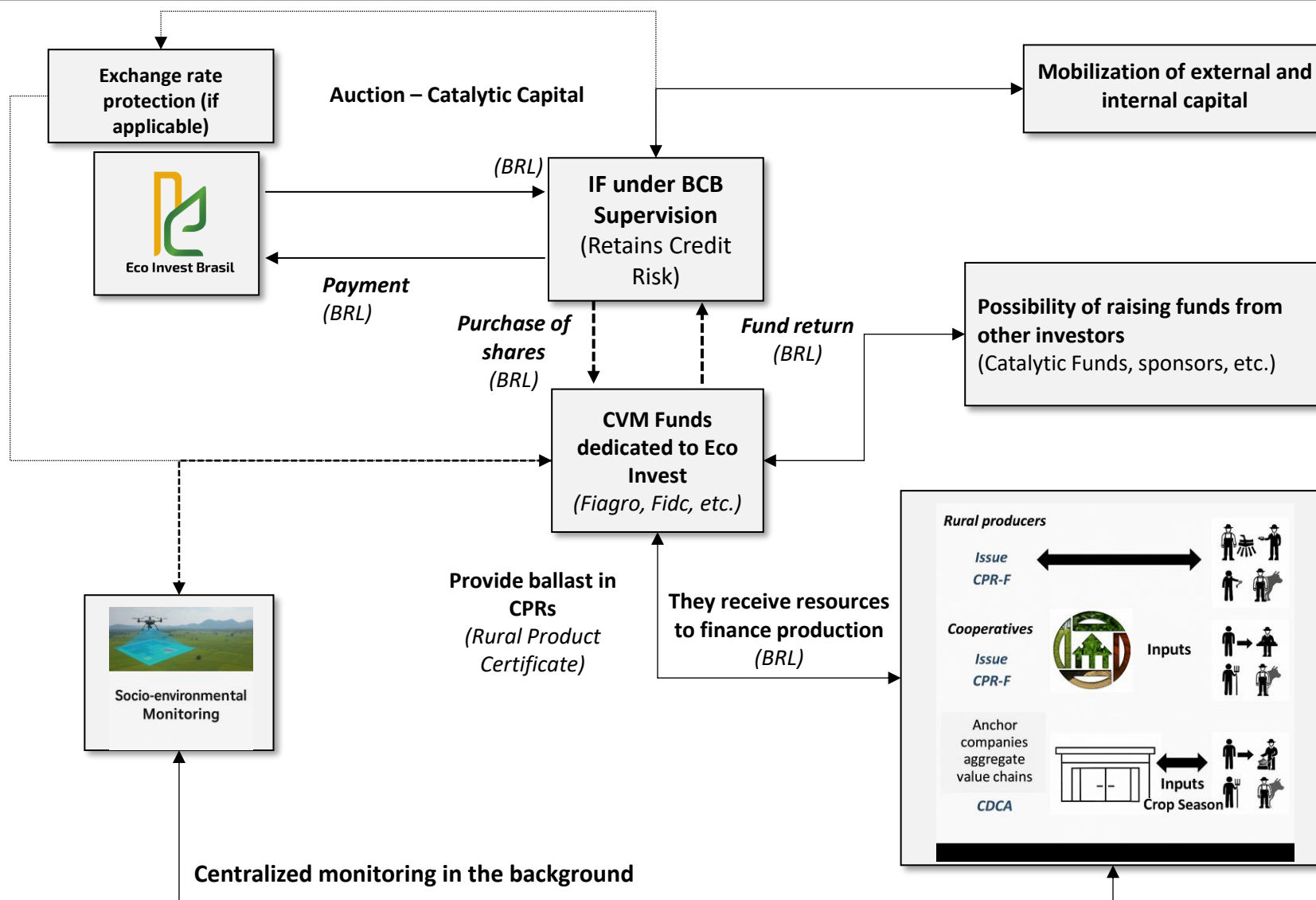
## 11 2nd Auction – Financial Model I: Blended Finance

Objective: Reduce the cost of capital to promote the integration of Brazilian companies into the global financial system, attract foreign investment and foster a sustainable and resilient economy



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## 2nd Auction – Financial Model II: Eco Invest Funds





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