



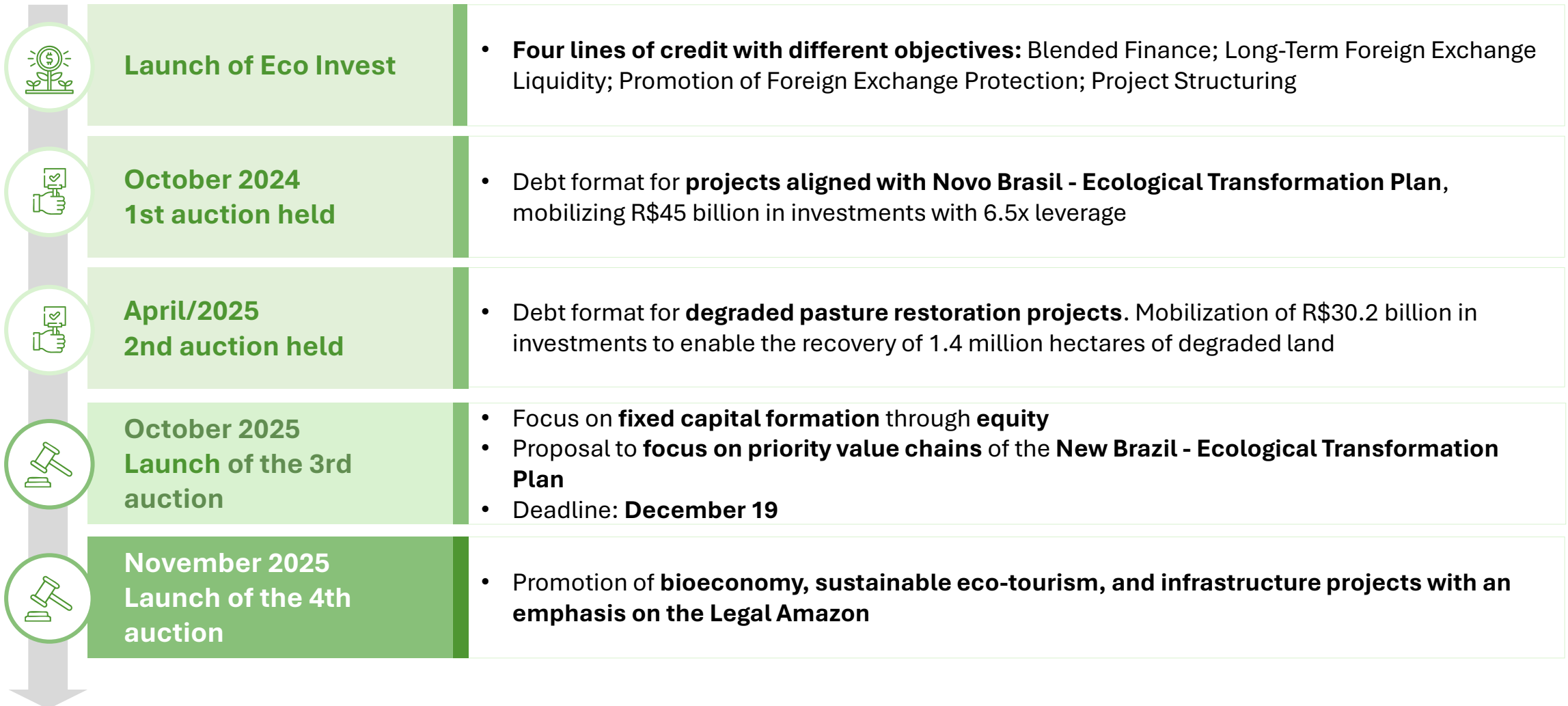
**2025**



# **Eco Invest Brasil**

**4th Auction - Bioeconomy and Sustainable  
Tourism with a Focus on the Amazon**

# Eco Invest History



# Alignment with public policies

## Strict sustainability standards adapted to the Amazon



The Program adopts a robust environmental framework aligned with **the Climate Fund**, the recommendations for issuing **Amazon Bonds**, and the Brazilian Sustainable Taxonomy.



Supported projects must ensure transparency, socio-environmental integrity, and must attract private investment.

## Complementarity and additionality to credit policies

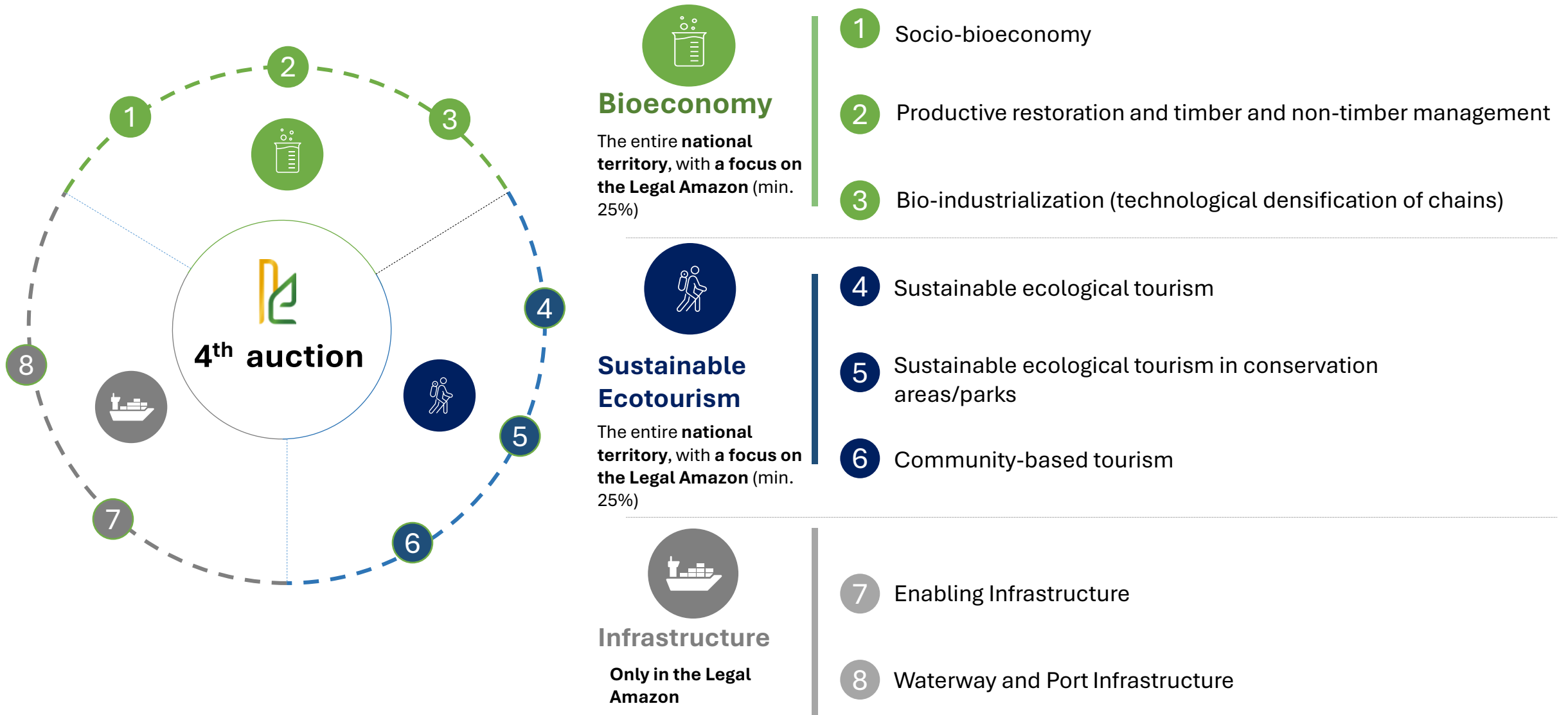


The Program **complements other credit promotion lines in Brazil**, such as the Safra Plan, PRONAF, and the Climate Fund, enabling the **private sector to expand the mobilization and strategic allocation of resources** to support projects aligned with the auction's eligibility criteria and strategic priorities, contributing to the generation of **results in line with public policies**.

## The auction will generate results aligned with Brazil's public policies, including:

- New Brazil - Ecological Transformation Plan (PTE)
- National Bioeconomy Strategy (ENB)
- National Plan for the Recovery of Native Vegetation (Planaveg)
- National Plan for the Promotion of Socio-biodiversity Products (PNPSB)
- Resilient Green Cities Program (PCVR)
- Industrial Policy - New Industry Brazil (NIB)
- Action Plan for the Prevention and Control of Deforestation in the Legal Amazon
- National Tourism Plan

# Three sectors with emphasis on the Amazon



# Bioeconomy and Nature-Based Solutions



## SOCIOBIOECONOMY

1. Sustainable community-based production systems
2. Sustainable Fishing and Aquaculture
3. Handicrafts



## PRODUCTIVE RESTORATION AND MANAGEMENT

1. Productive restoration and sustainable production systems on a larger scale
2. Forest concessions (restoration and management)

\*for **actions additional** to the mandatory charges provided for in the concession



## BIOINDUSTRIALIZATION

1. Advanced biofuels (bioenergy)
2. Emerging Biochemicals and Biomaterials
3. Pharmaceutical bioactives
4. Bio-inputs and additives for agribusiness
5. Bio-ingredients and functional additives

# Sustainable Ecotourism

Projects in this sector must develop a **Sustainable Ecological Tourism Plan**



## SUSTAINABLE ECOTOURISM

1. Modernization of sustainable hotel infrastructure
2. Nature-based tourism experiences



## SUSTAINABLE TOURISM IN CONSERVATION UNITS/PARKS

1. Development and improvement of tourism in concession areas\*, with a focus on green infrastructure

\*for **actions additional** to the mandatory charges provided for in the concession



## COMMUNITY-BASED TOURISM

1. Ecotourism centers and integrated routes with local guides



# Infrastructure



## ENABLING INFRASTRUCTURE

1. Distributed renewable energy generation
2. Broadband access
3. Local water treatment solutions
4. Solid waste management and sanitation
5. Creation and improvement of local logistics systems



## WATERWAY AND PORT INFRASTRUCTURE

1. Passenger transport and fishing vessels
2. River transport infrastructure for transporting bioeconomy products
3. Decarbonization of electricity supply and distribution infrastructure for marinas, moorings, and ports (*shore power*)

# Beneficiaries and Aggregators



Actors with sufficient scale to access capital directly and/or small actors that access capital indirectly through aggregators.



## PRODUCERS AND EXTRACTORS

Including small producers, family farms, and medium-sized companies



## MSMEs

Micro, small, and medium-sized enterprises, cooperatives, associations, startups, and entrepreneurs



## COMPANIES AND BIOINDUSTRIES

Manufacturers of bio-inputs, food processors, cosmetics industry, pharmaceutical-chemical industry, and *traders*.



## TOURISM COMPANIES

Development, operation, or financing of infrastructure and services geared toward sustainable tourism, with a focus on attracting international visitors.

## AGGREGATORS

They act as **financial and operational channels** in underserved regions, managing and redistributing credit or investment and, in some cases, providing or financing technical assistance



Anchor Companies



Cooperatives and OSCIPS



Investment Funds

# Financial Instruments



## Blended Finance

1

Debt instrument

### 1A Direct

The Treasury lends to the FI at 1% p.a.; the FI leverages the capital by  $\geq 4x$  with  $\geq 60\%$  external capital and passes on direct credit to eligible projects in BRL or USD.

### 1B Fund Participation

Treasury lends to FI at 1% p.a.; FI leverages capital  $\geq 4x$  with  $\geq 60\%$  external capital and subscribes to a senior tranche in credit funds.

## Incentive Mechanisms

2

Performance risk reduction

### 2 Catalytic capital tranche

The Program provides for an additional tranche of catalytic capital in an amount equivalent to 20% of the total leveraged for *blended finance* instruments.

IF invests its resources in risk-free assets, using capital gains for mechanisms that encourage investment, reduce performance risks, and enable projects.

## Concept

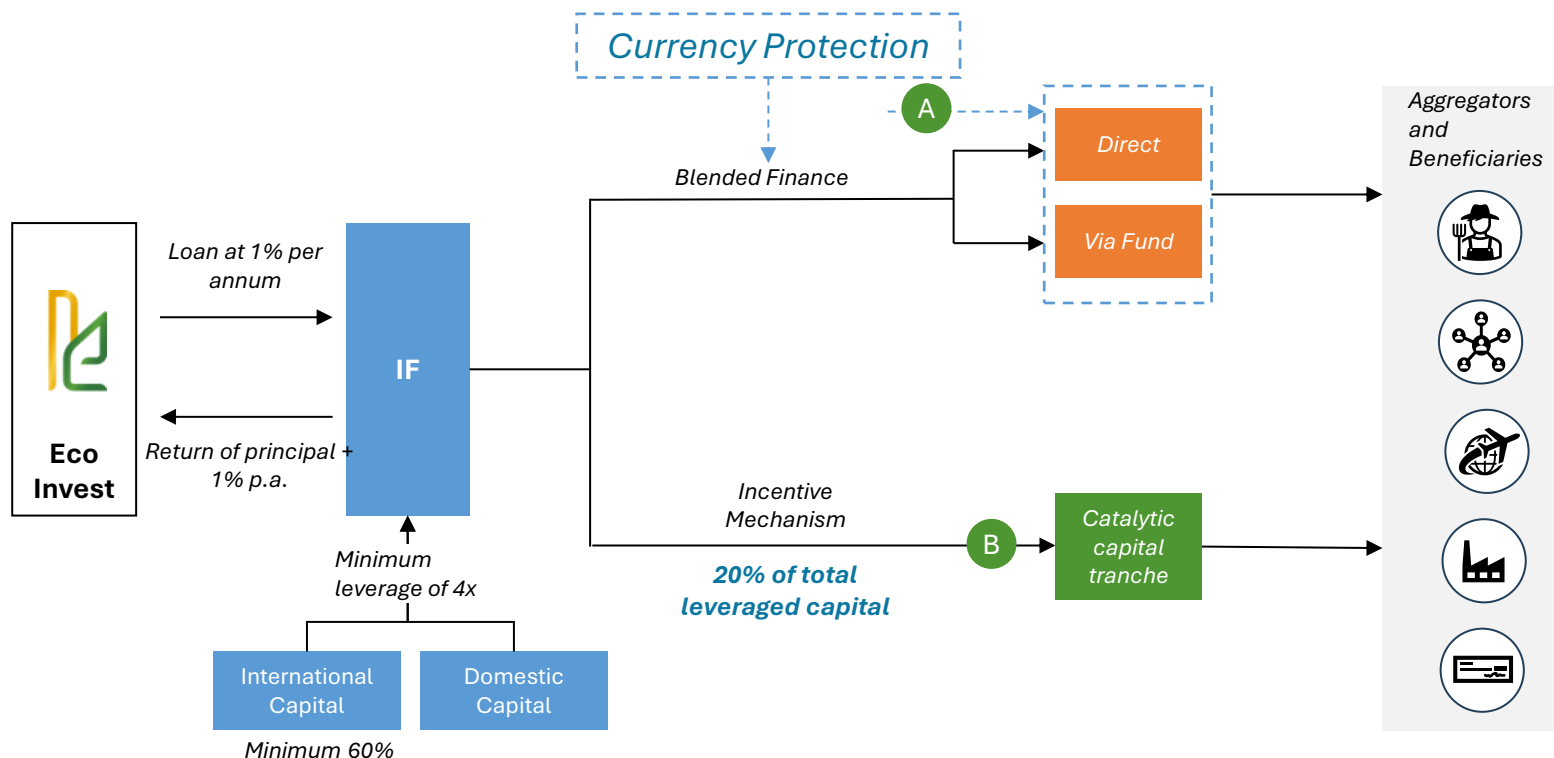
The complexity of bioeconomy projects in the Amazon requires a combination of:

- 1 Catalytic capital, with low funding costs and long-term horizons.
- 2 Mechanisms that reduce performance risk, making projects bankable.

# Financial Instruments



## Illustrative Diagram



## Complementary Instruments

### Currency Protection A

The IF may use the resource to offer currency protection combined with the Direct or Via Fund loan.

The following may be structured:

- **Reduction in the cost of total or partial derivatives** (currency swaps, NDFs, or dollar call options)
- **Contingent liquidity mechanism** (*Liquidity Facility*) combined with tail risk protection (options)

### Performance Risk Reduction B

**Up to 20% of the total amount leveraged by the FI is released as an additional portion of the loan**, intended for the financial management of incentive instruments.

The funds may be used for:

- First losses**, partial coverage of default/performance
- Technical assistance**, productive, environmental, and financial training for beneficiaries and aggregators (mandatory for socio-bioeconomy)
- Enabling infrastructure** for projects that are not commercially viable but have the potential to unlock eligible sectors

# Financial Instruments – E.g. Liquidity Facility

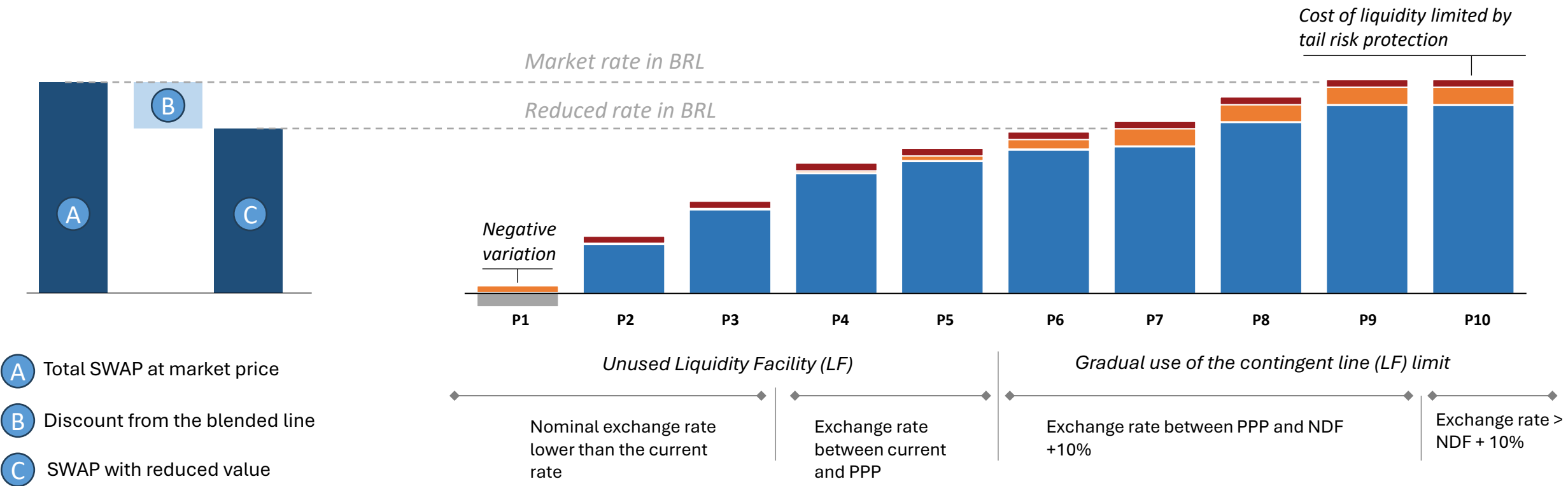


In most cases, the *liquidity facility* model combined with tail risk protection represents the most cost-effective option

## Effect of Eco Invest on the cost of debt protection instruments

## Distribution of exchange rate scenarios in percentiles for the cost of dollar-denominated debt with exchange rate protection (illustrative)

Option premium for tail risk protection      Cost of Liquidity Facility      Cost of debt



# Possible uses of incentive mechanisms



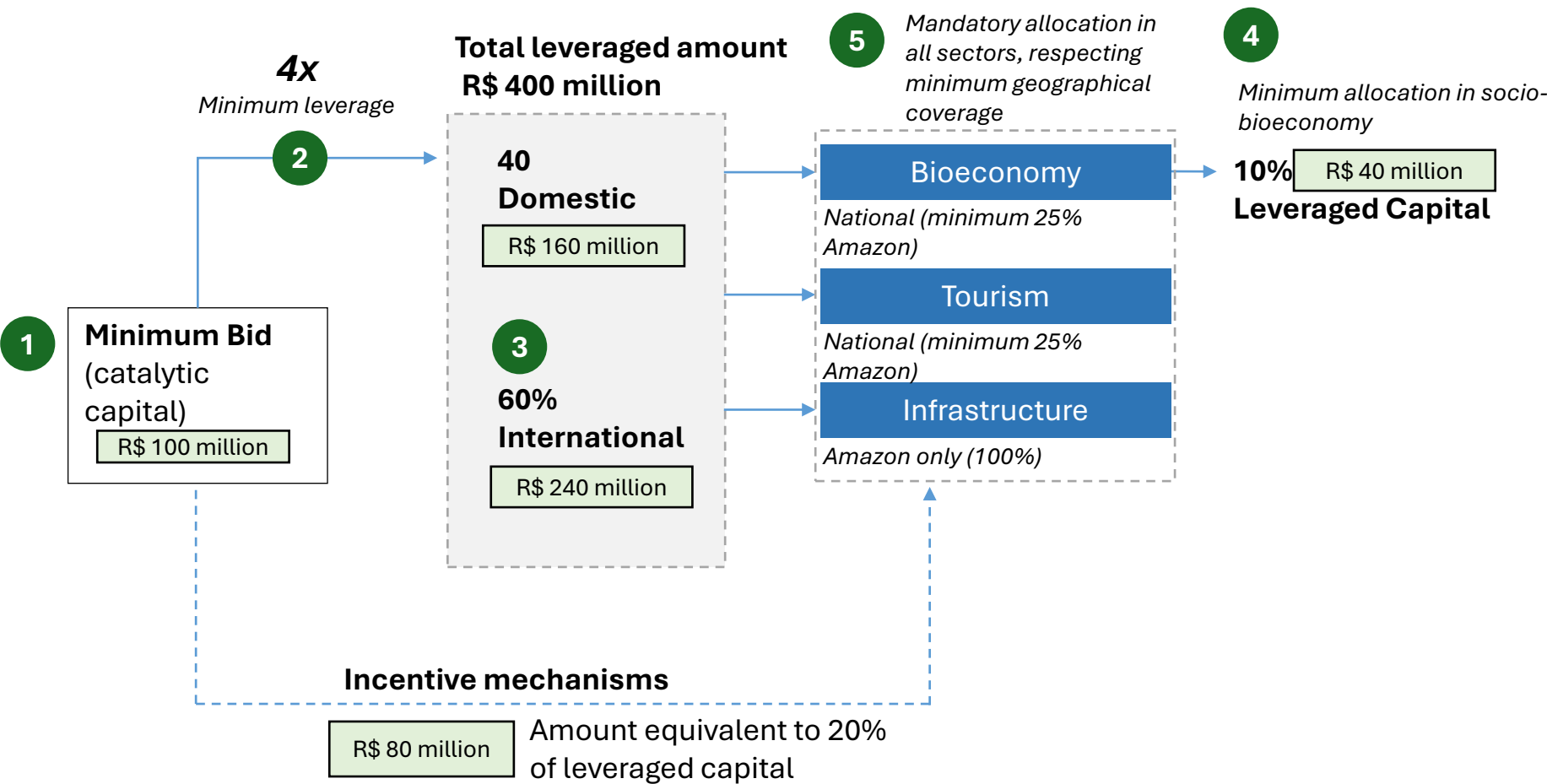
Type	Performance Enhancement	Technical Assistance	Enabling infrastructure incentive
Rationale	Address credit barriers in sectors with higher perceived risk.	Overcome technical and financial capacity limitations.	Enable structural conditions for the expansion of sustainable chains.
Description	Mechanism that increases investor returns in the face of credit portfolio losses (default or performance), improving the risk profile and allowing for the leveraging of private resources.	Support programs and services focused on productive, environmental, and management training, assistance in developing bankable projects, and adoption of sustainable best practices.	Expands support for the generation of infrastructure assets that increase the efficiency and connectivity of chains (e.g., decentralized renewable energy, digital connectivity, low-carbon logistics).
Example	<p><i>Funding for Incentive Mechanism (First Losses)</i></p> <pre>graph LR; A[Funding for Incentive Mechanism (First Losses)] --&gt; B[Investment Funds]; B -- Credit --&gt; C[Companies and bioindustries]</pre>	<p><i>Funding for Incentive Mechanism</i></p> <pre>graph LR; A[Funding for Incentive Mechanism] --&gt; B[Cooperatives and OSCIPS]; B -- Technical Assistance --&gt; C[Producers and extractivists]</pre>	<p><i>Funds for Incentive Mechanism</i></p> <pre>graph LR; A[Funds for Incentive Mechanism] --&gt; B[Anchor Companies]; B -- Enabling Infrastructure --&gt; C[Small Producers and Extractivists]</pre>



# Simulation of capital distribution

Applied example of compliance with all minimum prerequisites

## Illustrative Diagram



## Prerequisites

- 1** Minimum Bid
- 2** Leverage of capital raised
- 3** Minimum attraction of external capital
- 4** Minimum allocation of leveraged capital in Sociobioeconomy
- 5** Mandatory allocation in all sectors, respecting minimum geographical coverage requirements



# Auction Criteria | Tiebreaker and Prioritization

## Tiebreaker Criteria



### 1 Leverage of capital raised

**Minimum of 4x (1 part** Eco Invest resources to 3 parts private capital)

### 2 Promotion of bio-industrialization

**Higher %** allocation to **bio-industrialization**  
(excluding bioenergy/biofuels sector)

### 3 Total leveraged foreign capital

IFs that allocate an additional percentage above the **minimum of 60%** of leveraged capital from foreign investors **will have an advantage**

## Auction incentives

### A Additional grace period

2years (+ 1)

IFs that demonstrate **integration contracts in at least 20% of their portfolio** receive an additional grace period year

### B Minimum allocation in chains

**A minimum of 10%** of funds must be allocated to socio-bioeconomics

### C Maximum allocation in chains

**Maximum of 40%** of resources may be allocated to productive restoration and timber and non-timber management



# Allocation Incentives and Adjustments

## Incentives *(detailed below)*

**Objective:** The program's priority objective is to strengthen complete bioeconomy value chains, connecting production/extraction and processing

**Incentive format:** FIs that demonstrate integration contracts in **at least 20% of their portfolio receive an additional grace year**

## Allocation Adjustments *(detailed in the Operational Manual)*

**Allocation adjustments occur in two stages**

- 1 In case of non-compliance with the auction rules in the first 24 months, specifically:**
  - Failure to allocate all resources from the incentive mechanism
  - Failure to comply with the minimum allocation of 10% of the portfolio in Bioeconomy**IFs should direct capital to incentive mechanisms**
- 2 In case of non-complete use of capital allocated to incentive mechanisms** (e.g., non-use of first losses), FIs must donate the income<sup>1</sup> to ICTs and R&D institutions focused on the bioeconomy

1. Calculated difference includes net income

# Integration of value chains through integration agreements

Reference: Law No. 13,1288/2016

## Integration agreement

Ensure scalability, market predictability, and the development of value chains that contribute to the bioindustry

Instruments that objectively demonstrate the link between anchor companies and the strengthening of bioeconomy production chains:

- Integration or *offtake* agreements
- Co-investment agreements
- Technical assistance agreements
- Risk reduction for IFs to approve credit and/or reduce interest rates for the producers involved

## Examples of potential chains in the bio-industry

Anchor Company Sector Input

Product

Cosmetics

Buriti; babassu

Creams

Pharmaceutical

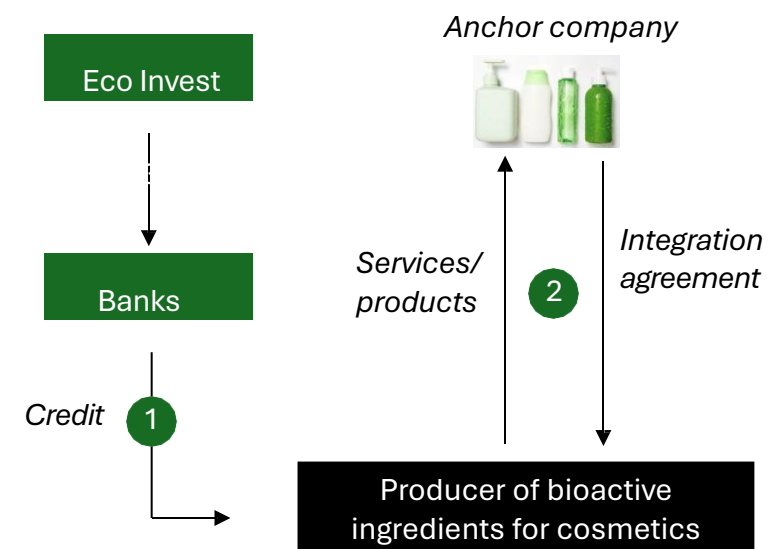
Jaborandi; copaiba

Biochemical compounds

Food Freeze-dried superfoods

Cupuaçu; açaí; cocoa

## Illustrative example of the vegetable oil chain

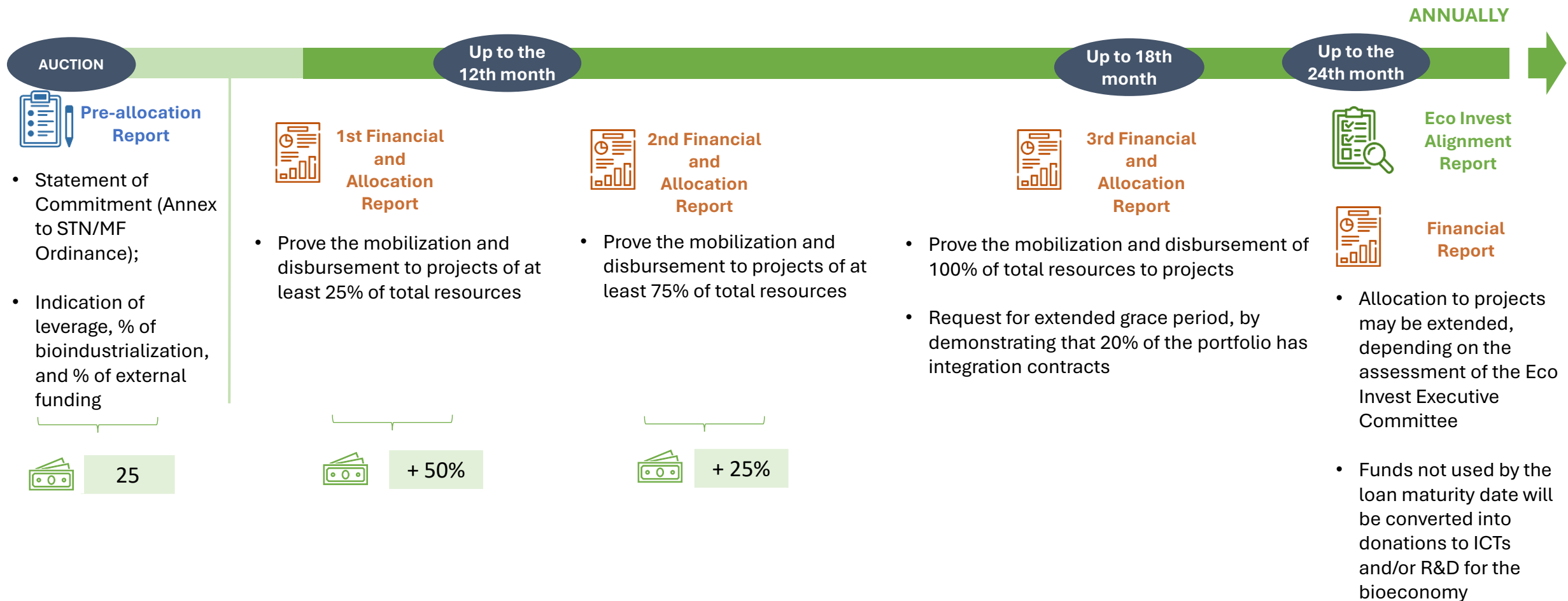


- 1 Bank provides credit to producers
- 2 Integration agreement between anchor company and producers



IFs that demonstrate integration contracts in **at least 20% of their portfolio receive a +1-year grace period**

# Timeline



# Governance | Key aspects

Detailed governance in the Operational Manual



## Eligibility criteria and counterparties

Minimum environmental, legal, and operational conditions that projects must meet to access financing

- Projects in **compliance with local legislation**, including **licenses and authorizations** issued by competent authorities
- **No deforestation before<sup>1</sup>, and during the term of the credit operation** with the FI
- **Preparation of a technical project plan** (e.g., restoration and management; bioindustrialization)



## Exclusion Criteria

Sectors and activities that cannot receive support under any circumstances

- In addition to the exclusion criteria set forth in MF Ordinance No. 964 of 2024 and its amendments:
- **Specific to Auction No. 4/2025:** livestock production, monoculture, dairy, pork, and poultry production, industrial-scale agricultural infrastructure for chains with deforestation potential (e.g., soybeans, corn)



## Safeguards

Mandatory standards to avoid, minimize, and prevent environmental and social harm

- In addition to the safeguards provided for in MF Ordinance No. 964, of 2024, and its amendments:
- **Activities must demonstrate that they do not cause significant environmental or social damage by:** not generating ecological damage, obtaining environmental licensing, promoting an inclusive work environment



## Indicators

Measurable results that monitor environmental, social, and economic impact

- **General indicators:** for the entire Eco Invest Auction No. 4/2025, such as direct jobs created, greenhouse gas emissions avoided
- **Specific indicators (examples):** by type of value chain, such as tons of biomass processed, vessels and piers built...