

Brazil

BR-T1489

Devising and Adapting Cutting-Edge Green Financial Processes

Financing for the Amazon: Strengthening the Financial Ecosystem for Amazon Bio-Businesses (FinAm) for the Bank of the Amazon (BASA)

Terms of Reference

1. Background and Justification

- 1.1. The Legal Amazon¹ represents 59% of Brazil's territory². The nine states that make up the region – Acre, Amapá, Amazonas, Mato Grosso, Maranhão, Pará, Rondônia, Roraima, and Tocantins – that cover 5,015,067 km². Together these states represent 8% of the country's GDP³; with services, manufacturing, and agriculture as the leading economic activities. In contrast with its low development indicators, the Legal Amazon has abundant natural resources that can provide a new development paradigm for the region. It harbors diverse ecosystems and biodiversity and 20% of the world's fresh water. The Amazon biome has approximately 30 thousand plant species; 300 mammal species; 3 thousand fish species; 1,3 thousand bird species; as well as 2,5 thousand tree types and a third of the world's tropical wood⁴. The region's natural capital also plays a vital role in regulating regional and global climate, acting as an important carbon sink.
- 1.2. At the same time Amazon deforestation is one of the major drivers of Brazil's greenhouse gas emissions. In 2019, 87% of the country's land-use related emissions came from deforestation in the Amazon; despite past progress in suppressing deforestation rates during 2004-2015⁵. This figure is particularly alarming as specialists indicate that the Amazon may reach a tipping point if deforestation reaches 20%-25%⁶, transforming it into a savannah and impacting biodiversity, hydrological and carbon cycles, and human well-being.
- 1.3. The development of the Legal Amazon is moving towards the protection of its natural capital and the services it may provide. Deforestation-free supply chains are also being demanded by international investors and consumer markets. Although services, manufacturing, mineral extraction, and agriculture are the main economic activities in the Amazonian states, conservation-oriented production chains are being developed as a solution for sustainable economic growth. In fact, bio businesses have the potential to promote the sustainable use of the natural capital of the Brazilian Amazon to produce food, energy, and industrial goods by maximizing value added and minimizing waste in the region. The profitability of products as açaí, cocoa and Brazil nuts are four to ten times higher per hectare than soy⁷ and livestock⁸. Development in the region offers a great potential for implementation of nature-positive economic activities, that seek gain in natural capital - a study on the valuation of the Brazilian Amazon Forest's Ecosystems Services identified USD 737 per hectare of services

¹ Legal Amazon refers to all of the Amazon Biome, including Cerrado and natural fields areas in the states of Mato Grosso and Tocantins.

² IBGE, 2020. [Amazônia Legal](#).

³ Imazon, 2020. [Situação territorial, desmatamento e focos de calor em 60 municípios da Amazônia Legal](#).

⁴ BRASIL, 2017. [Federal Programs help protect and develop the Amazon](#).

⁵ SEEG, 2020. [SEEG 8: Análise das Emissões Brasileiras de Gases de Efeito Estufa e Suas Implicações para As Metas de Clima do Brasil 1970-2019](#).

⁶ Lovejoy, T.E. and Nobre, C., 2019. [Amazon tipping point: Last chance for action](#).

⁷ Zorzetto, R., 2019. [Crescer sem destruir](#).

⁸ Mesquita, 2020. [Carlos Nobre e a Terceira Via, Amazônia 4.0](#).

provided, including food production (Brazil nuts), raw material (rubber and timber), GHG mitigation and climate regulation⁹.

- 1.4. However, several institutional and market failures, as well as other barriers, hinder the ability to capture the potential socio-economic and environmental benefits identified for bio businesses in the Brazilian Amazon. These include incomplete regulatory and regulatory frameworks, financial and economic barriers, infrastructure and technical limitations, difficulty adding lines of business, knowledge gaps, among others.
- 1.5. In this context, the IDB is searching for a consultancy firm to provide institutional strengthening of the capacity of the Banco da Amazônia (BASA) and state governments to foster an enabling environment to scale up investments in sustainable bio-businesses in the Amazon, resulting in forest conservation, reduction of deforestation, and improved capacity of governmental financial entities to promote and deploy resources towards these activities.

2. Objectives

- 2.1. The purpose of this consultancy is to carry out an internal analysis of BASA's portfolio and subsequently propose solutions to improve sustainability of internal management processes, including strategies, methodologies, and management systems. This analysis will also include the interlinkages with state-level development bank or financial promotion agencies to scale sustainable investments.

3. Key Activities

- 3.1. The selected firm will be required to provide BASA with technical inputs and clear recommendations for BASA's internal management processes, including strategies, methodologies, and management systems to scale up sustainable investments.

4. Expected Outcome and Deliverables

- 4.1. The firm shall deliver a comprehensive report on BASA including the following aspects: (i) provide recommendations on green strategies and methodologies; (ii) provide recommendations on monitoring, reporting and verification systems;

5. Project Schedule and Milestones

- 5.1. At the start of the consultancy, the firm must provide a work plan, including schedule of activities and deliverables. This working plan must be approved by IDB and BASA.
- 5.2. Three bi-monthly reports should be presented to IDB and BASA regarding all products developed during the related period.
- 5.3. A final report should be presented by the end of the consultancy containing all products developed by the consultancy, with clear recommendations.

6. Reporting Requirements

- 6.1. To ensure smooth coordination between the consultancy firm, the IDB and BASA, the consultancy firm will provide at the beginning of the consultancy, a working plan including a chronogram, to be validated by both the IDB and the Beneficiary.
- 6.2. Regular meetings shall be organized by the firm with both the IDB and the Beneficiary, to discuss progress, receive feedback and present products to date. Meetings shall be

⁹ Strand, Jon, et al. "[Spatially explicit valuation of the Brazilian Amazon forest's ecosystem services.](#)" *Nature Sustainability* 1.11 (2018): 657-664.

accompanied by a brief report of progress.

7. Acceptance Criteria

- 7.1. The final version of the Green Financial Processes for BASA report will be reviewed for approval by IDB and BASA. Public disclosure of the report by the firm will be subject to authorization by BASA. Both the IDB and BASA will provide the contact of their staff in charge of approval.

8. Supervision and Reporting

- 8.1. Primary responsibility for supervision and approval of the consultancy will be of Maria Netto, Financial Markets Lead Specialist, IFD/CMF (mnetto@iadb.org), and secondly, Barbara Brakarz, Senior Climate Change and Sustainability Specialist, CCS/CBR (barbarab@iadb.org). All activities of the consultancy will be coordinated with and be approved by IDB, in close coordination and consultation with the Beneficiary, BASA. Any comments or requests for adjustments should be addressed by the consultancy firm for satisfactory approval of IDB.

9. Schedule of Payments

Deliverables	%
Deliverable 1 – workplan agreed with IDB and beneficiary	25
Deliverable 2 – First bi-monthly report	15
Deliverable 3 – Second bi-monthly report	15
Deliverable 4 – Third bi-monthly report	15
Deliverable 5 – Final Report and PowerPoint presentation	30

- 9.1. Payment will be based on project deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
- 9.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Brazil

BR-T1489

Consultancy Services: Designing and Tailoring Innovative Green Financial Products for the Bank of the Amazon (BASA)

Financing for the Amazon: Strengthening the Financial Ecosystem for Amazon Bio-Businesses (FinAm)

Terms of Reference

1. Background and Justification

- 1.1. The Legal Amazon¹⁰ represents 59% of Brazil's territory¹¹. The nine states that make up the region – Acre, Amapá, Amazonas, Mato Grosso, Maranhão, Pará, Rondônia, Roraima, and Tocantins – that cover 5,015,067 km². Together these states represent 8% of the country's GDP¹²; with services, manufacturing, and agriculture as the leading economic activities. In contrast with its low development indicators, the Legal Amazon has abundant natural resources that can provide a new development paradigm for the region. It harbors diverse ecosystems and biodiversity and 20% of the world's fresh water. The Amazon biome has approximately 30 thousand plant species; 300 mammal species; 3 thousand fish species; 1,3 thousand bird species; as well as 2,5 thousand tree types and a third of the world's tropical wood¹³. The region's natural capital also plays a vital role in regulating regional and global climate, acting as an important carbon sink.
- 1.2. At the same time Amazon deforestation is one of the major drivers of Brazil's greenhouse gas emissions. In 2019, 87% of the country's land-use related emissions came from deforestation in the Amazon; despite past progress in suppressing deforestation rates during 2004-2015¹⁴. This figure is particularly alarming as specialists indicate that the Amazon may reach a tipping point if deforestation reaches 20%-25%¹⁵, transforming it into a savannah and impacting biodiversity, hydrological and carbon cycles, and human well-being.
- 1.3. The development of the Legal Amazon is moving towards the protection of its natural capital and the services it may provide. Deforestation-free supply chains are also being demanded by international investors and consumer markets. Although services, manufacturing, mineral extraction, and agriculture are the main economic activities in the Amazonian states, conservation-oriented production chains are being developed as a solution for sustainable economic growth. In fact, bio businesses have the potential to promote the sustainable use of the natural capital of the Brazilian Amazon to produce food, energy, and industrial goods by maximizing value added and minimizing waste in the region. The profitability of products as açaí, cocoa and Brazil nuts are four to ten times higher per hectare than soy¹⁶ and livestock¹⁷. Development in the region offers a great potential for implementation of nature-positive economic activities, that seek gain in natural capital - a study on the valuation of the Brazilian Amazon Forest's Ecosystems Services identified USD 737 per hectare of services

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¹² Imazon, 2020. [Situação territorial, desmatamento e focos de calor em 60 municípios da Amazônia Legal](#).

¹³ BRASIL, 2017. [Federal Programs help protect and develop the Amazon](#).

¹⁴ SEEG, 2020. [SEEG 8: Análise das Emissões Brasileiras de Gases de Efeito Estufa e Suas Implicações para As Metas de Clima do Brasil 1970-2019](#).

¹⁵ Lovejoy, T.E. and Nobre, C., 2019. [Amazon tipping point: Last chance for action](#).

¹⁶ Zorzetto, R., 2019. [Crescer sem destruir](#).

¹⁷ Mesquita, 2020. [Carlos Nobre e a Terceira Via, Amazônia 4.0](#).

provided, including food production (Brazil nuts), raw material (rubber and timber), GHG mitigation and climate regulation¹⁸.

- 1.4. However, several institutional and market failures, as well as other barriers, hinder the ability to capture the potential socio-economic and environmental benefits identified for bio businesses in the Brazilian Amazon. These include incomplete regulatory and regulatory frameworks, financial and economic barriers, infrastructure and technical limitations, difficulty adding lines of business, knowledge gaps, among others.
- 1.5. In this context, the IDB is searching for a consultancy firm to provide institutional strengthening of the capacity of the Banco da Amazônia and state governments to foster an enabling environment to scale up investments in sustainable bio-businesses in the Amazon, resulting in forest conservation, reduction of deforestation, and improved capacity of governmental financial entities to promote and deploy resources towards these activities.

2. Objectives

- 2.1. The purpose of this consultancy is to contribute to design and implementation of innovative green financial products and assessment and revision, when necessary, of existing vehicles, to direct and optimize resources towards green, sustainable activities that promote bio-businesses in the Amazon.

3. Key Activities

- 3.1. The selected firm will be required to map, assess, and provide BASA with technical inputs and clear recommendations on innovative green financial products to scale up and redirect sustainable finance to bio-businesses.

4. Expected Outcome and Deliverables

- 4.1. The firm shall deliver a comprehensive report on recommendations on development of green financial products, considering the development of:
 - 4.1.1. PPP and concessions;
 - 4.1.2. Guarantees;
 - 4.1.3. Insurance collateral;
 - 4.1.4. Special Purpose Vehicles (SPVs);
 - 4.1.5. Other tools or products the consultant might find appropriate.
 - 4.1.6. Improvements to current credit liens or programs
- 4.2. In order to carry out his assignment, the firm will need to map BASA's existing structure and instruments, map other instruments and products in Brazil and assess and recommend concretely how BASA can incorporate them into their institutional structure.

5. Project Schedule and Milestones

- 5.1. At start of the consultancy, the consultancy firm will provide a work plan proposal that must be approved by IDB and BASA.
- 5.2. A preliminary report shall be presented to IDB and BASA within 40 days of the signature of the contract.
- 5.3. A final version of the report must be presented within 70 days of the signature of the contract.

¹⁸ Strand, Jon, et al. "[Spatially explicit valuation of the Brazilian Amazon forest's ecosystem services.](#)" *Nature Sustainability* 1.11 (2018): 657-664.

6. Reporting Requirements

- 6.1. To ensure smooth coordination between the consultancy firm, the IDB and the BASA, the consultancy firm will provide at the beginning of the consultancy, a working plan including a chronogram, to be validated by both the IDB and the Beneficiary.
- 6.2. Regular meetings shall be organized by the firm with both the IDB and the Beneficiary, to discuss progress, receive feedback and present products to date. Meetings shall be accompanied by a brief report of progress.

7. Acceptance Criteria

- 7.1. The final version of the **Innovative Green Financial Products for the Bank of the Amazon (BASA)** Report will be reviewed for approval by the IDB. Public disclosure of the report by the firm will be subject to authorization by BASA. Both the IDB and BASA will provide the contact of their staff in charge of approval (see below section 8).

8. Supervision and Reporting

- 8.1. Technical responsibility of the consultancy will be in charge of Maria Netto, Financial Markets Lead Spec, IFD/CMF (202.623.2009; mnetto@iadb.org), and secondly, Barbara Brakarz, Senior Climate Change and Sustainability Specialist, CCS/CBR. All of the activities of the consultancy will be coordinated with and be approved by IDB, in close coordination and consultation with the Beneficiary, BASA. Any comments or requests for adjustments should be addressed by the consultancy firm for satisfactory approval of IDB.

9. Schedule of Payments

Deliverables	%
Deliverable 1 – workplan agreed with IDB and beneficiary	20
Deliverable 2 – Preliminary Report	30
Deliverable 3 – Final Report approved by IDB and BASA	50

- 9.1. Payment will be based on project deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
- 9.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

BRAZIL

BR-T1489

Component 3: Support to State Governments: Financial Design of the Pará State Amazônia Agora Plan

Financing for the Amazon: Strengthening the Financial Ecosystem for Amazon Bio-Businesses (FinAm)

Terms of Reference

1. Background and Justification

- 1.1. **Land use continues to be the main source of GHG emissions.** Amazon deforestation is one of the major drivers of greenhouse gas emissions in Brazil. Land-use change accounts for 24% of Brazilian GHG emissions, and Pará concentrates 34% of Brazil's total deforested area. To tackle this issue and meet its target for net zero emissions by 2035, the Pará government created in 2019 a strategy called "Amazônia Agora" ("AA" or "Amazon Now"), with four strategical pillars: Command and Control; Sustainable Territories; Land tenure and environmental regularization; and the Eastern Amazon Fund ("FAO" or "Fund").
- 1.2. **Funding is central to the Amazônia Agora.** The Fund is at the heart of the AA strategy. It was formally created by state government decree 346/2019 as a Public-Private investment vehicle to fulfill an institutional gap: receiving, stewarding, and disbursing public and private resources to projects and initiatives related to the three other strategical pillars, aligned with Sustainable Development Goals ("SDG"). Investment examples include: (i) fostering low-carbon value chains (e.g., bioeconomy and sustainable cattle ranching); (ii) strengthening state's capacity to process land tenure and environmental data with the use of innovative technology; and (iii) key green infrastructure investments needed to unchain Amazon's bioeconomy potential.
- 1.3. **Need to strengthen climate initiatives.** Although Amazônia Agora is one of the state government's highest priorities, efforts to strengthen Pará's climate initiatives may be lost during the economic pressure of the Covid-19 recovery, endangering Brazil's Nationally Determined Contributions ("NDC") targets. The proposed approach position the FAO as part of an Ecosystem of Funds that can operate in synergy, channeling capital to public and private ventures, that can enable Pará to thrive as a low carbon (bio)economic powerhouse, recognized for its green, inclusive, and equitable development.
- 1.4. **Natural Capital can provide a new development paradigm for the Amazon.** Services, manufacturing, and agriculture are the leading economic activities in Amazonian states. Yet, the development of the Legal Amazon is shifting towards the natural capital and services it may provide, with conservation-oriented production chains being developed as a solution for sustainable economic growth.
- 1.5. **Technical cooperation between the State of Pará Government and the IDB.** In 2021, the State of Para Government, through its Secretariat for Environment requested support from the IDB to establish a technical cooperation that would support the implementation of the Amazon Agora Plan, particularly its financial architecture. The "Financing for the Amazon: Strengthening the Financial Ecosystem for Amazon Bio-Businesses (FINAM) cooperation was designed to foster an enabling environment to scale investments for sustainable bio-businesses that promote forest conservation, deforestation reduction, as well as the improved capacity of governmental financial entities to promote and deploy resources towards these activities.

2. Objectives

- 2.1. The objective of this consultancy is to provide specialized technical services that will support the financial design of the Amazon Agora Plan's Financial Architecture, supporting the implementation of the FAO, to mobilize investment for sustainable value chains and bioeconomy. The consultancy firm will provide recommendations for the Fund's structure, financial flows, and strategical role within the wider Plan, and assess legal and regulatory frameworks that can facilitate investments, including monitoring, reporting and verification processes.

3. Scope of Services

- 3.1. The consultancy firm must have more than twenty years of experience in developing conservation and sustainable development strategies—in themes such as bioeconomy and low carbon agriculture—and financial solutions for government agencies, traditional communities, and private sector. It must also have experience in developing territorial management plans in the Amazonian region. These technical services will provide input for the structuring and deployment of the FAO, ensuring its long-term sustainability.

4. Key Activities

- 4.1. The selected consultancy firm will:

- a) **Assessment of the Financial Ecosystem of Amazônia Agora and Strategic Role of the FAO within it:** this will involve a strategic analysis about the different private and public stakeholders that channel and/or operate financial instruments (that can drive the state of Pará towards its climate change adaptation and mitigation goals ("Ecosystem of Funds")). This analysis will generate recommendations for FAO's position and role in the broader Ecosystem of Funds, including a gap analysis on current finance needs to deliver Amazônia Agora objectives and a comparison of mechanisms and financial arrangements the FAO can operate, in order to function as a lever for private and public climate finance.
- b) **Provide Legal, Regulatory and Governance Recommendations for the structure and role of the FAO:** assessment of legal and regulatory frameworks that will result in recommendations to path a way for the Fund's long-term sustainability, structure, and governance, securing the FAO as a permanent Public-Private vehicle linked to the Pará State's Climate Policy and Amazônia Agora's goals. This assessment should also consider the existing legal frameworks directly and indirectly related to the FAO and AA, including but not limited to Payment for Environmental Services (PSA), Biodiversity & Climate and Other Effective Measures for Conservation (O MEC).

Both analyses will support the alignment of the Fund's structure and strategic position with climate finance facilities.

5. Expected Outcome and Deliverables

The following products will be delivered by the consultancy firm:

- a) **Amazônia Agora Financial Intelligence Report:** assessment of ecosystem of funds to build the FAO's strategical position, tactical role, and pipeline proposal. This includes: (i) compilation of studies and previous analysis on existing financial gaps to deliver Pará State's Climate Policy objectives; (ii) assessment of Stakeholders and financial mechanisms that can bridge those gaps (Ecosystem of Funds); (iii) evaluation of potential gaps in terms of volumes, rates, investment instruments and other relevant factors that may hinder Pará's ability to attract investors and donors for its green development agenda; (iv) strategical recommendations for the Fund's position and role in the broader ecosystem of funds, including potential new financial instruments, and cooperation possibilities; and (v) mapping

and organization of data on public and private initiatives related to the Amazônia Agora objectives, and proposal of criteria to define a preliminary pipeline for investors and donors.

- b) Legal, Regulatory and Governance Recommendations:** this analysis includes,
- i) Compilation and evaluation of relevant state legislation and regulation related to climate policy, Amazônia Agora, FAO, Payment for Environmental Services, Biodiversity, Other Effective Measures for Conservation (OMEC), among others.
 - ii) Assessment of FAO's governance and recommendations regarding structures, responsibilities and scope of each body related to PEAA and FAO, decision, and monitoring, reporting and verification processes, participation and inclusion, transparency among other functions that are key to enable the FAO to work in synergy with existing structures and the broader Ecosystem of Funds, according to potential investors and donors' requirements.
 - iii) tailor recommendations regarding existing regulation and by-laws for Pará State's Climate Policy, Amazônia Agora Plan and the Eastern Amazon Fund.

6. Reporting Requirements

- 6.1. All products should be prepared in Portuguese, in digital format, and must be submitted to the IDB for approval. All spreadsheets and files must be delivered in editable format, allowing changes to the documents, in Microsoft Office.
- 6.2. A Workplan will be prepared to set milestones for the delivery of the reports and description of project activities. In addition to the planning report, technical reports will be developed to document activity progress and outcomes; and a final report will be prepared to present the projects outcome.
- 6.3. Regular meetings shall be organized by the firm with both the IDB and the Beneficiary, to discuss progress, receive feedback and present products to date. Meetings shall be accompanied by a brief report of progress.

7. Deliverable Approvals

- 7.1. The IDB will have 15 workdays, after the submission of products, to assess preliminary versions.
- 7.2. In the case of approval, the IDB will communicate the consultancy firm about the product acceptance.
- 7.3. In the case of partial approval, the IDB will inform adjustments to be changed, and will request for an updated version to be sent within an agreed timeline.
- 7.4. Following the addressing of comments by the firm, IDB will give final approval of the product, request invoice, and the payment will be processed.

8. Supervision and Reporting

- 8.1. Primary responsibility for supervision and approval of the consultancy products will be of Barbara Brakarz, Senior Climate Change and Sustainability Specialist, CCS/CBR (barbarab@iadb.org), and secondly Maria Netto, Financial Markets Lead Specialist, IFD/CMF (mnetto@iadb.org). All activities of the consultancy will be coordinated with and be approved by IDB, in close consultation with and agreement of with the Beneficiary, SEMAS-Pará. Any comments or requests for adjustments should be addressed by the consultancy firm for satisfactory approval by the IDB.

9. Schedule of Payments

- 9.1. Payment terms will be based on project milestones or deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
- 9.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.

Payment Schedule			
<i>Deliverable</i>	%	USD	Days after Signature of Contract
1. Detailed Work Plan	20	40,000	10
2. Draft Report: Financial Intelligence and Strategic Positioning Assessment of the FAO	30	60,000	60
3. Final Report: Financial Intelligence and Structuring of Amazônia Agora	20	40,000	120
4. Final Report: Legal, Regulatory and Governance Recommendations	30	60,000	200
TOTAL	100%	200,000	200

10. Payment will be based on project deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
11. The IDB Official Exchange Rate will be applied for necessary conversions of local currency payments.

Brazil

BR-T1489

Services to Support the establishment of a Public-Private Multi-Stakeholder

Forum led by BASA

Financing for the Amazon: Strengthening the Financial Ecosystem for Amazon Bio-Businesses (FinAm)

Terms of Reference

1. Background and Justification

- 1.1. The Legal Amazon¹⁹ represents 59% of Brazil's territory²⁰. The nine states that make up the region – Acre, Amapá, Amazonas, Mato Grosso, Maranhão, Pará, Rondônia, Roraima, and Tocantins – that cover 5,015,067 km². Together these states represent 8% of the country's GDP²¹; with services, manufacturing and agriculture as the leading economic activities. In contrast with its low development indicators, the Legal Amazon has abundant natural resources that can provide a new development paradigm for the region. It harbors diverse ecosystems and biodiversity and 20% of the world's fresh water. The Amazon biome has approximately 30 thousand plant species; 300 mammal species; 3 thousand fish species; 1,3 thousand bird species; as well as 2,5 thousand tree types and a third of the world's tropical wood²². The region's natural capital also plays a vital role in regulating regional and global climate, acting as an important carbon sink.
- 1.2. At the same time Amazon deforestation is one of the major drivers of Brazil's greenhouse gas emissions. In 2019, 87% of the country's land-use related emissions came from deforestation in the Amazon; despite past progress in suppressing deforestation rates during 2004-2015²³. This figure is particularly alarming as specialists indicate that the Amazon may reach a tipping point if deforestation reaches 20%-25%²⁴, transforming it into a savannah and impacting biodiversity, hydrological and carbon cycles, and human well-being.
- 1.3. The development of the Legal Amazon is moving towards the protection of its natural capital and the services it may provide. Deforestation-free supply chains are also being demanded by international investors and consumer markets. Although services, manufacturing, mineral extraction, and agriculture are the main economic activities in the Amazonian states, conservation-oriented production chains are being developed as a solution for sustainable economic growth. In fact, bio businesses have the potential to promote the sustainable use of the natural capital of the Brazilian Amazon to produce food, energy, and industrial goods by maximizing value added and minimizing waste in the region. The profitability of products as açaí, cocoa and Brazil nuts are four to ten times higher per hectare than soy²⁵ and livestock²⁶. Development in the region offers a great potential for implementation of

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²² BRASIL, 2017. [Federal Programs help protect and develop the Amazon](#).

²³ SEEG, 2020. [SEEG 8: Análise das Emissões Brasileiras de Gases de Efeito Estufa e Suas Implicações para As Metas de Clima do Brasil 1970-2019](#).

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²⁵ Zorzetto, R., 2019. [Crescer sem destruir](#).

²⁶ Mesquita, 2020. [Carlos Nobre e a Terceira Via, Amazônia 4.0](#).

nature-positive economic activities, that seek gain in natural capital - a study on the valuation of the Brazilian Amazon Forest's Ecosystems Services identified USD 737 per hectare of services provided, including food production (Brazil nuts), raw material (rubber and timber), GHG mitigation and climate regulation²⁷.

- 1.4. However, several institutional and market failures, as well as other barriers, hinder the ability to capture the potential socio-economic and environmental benefits identified for bio businesses in the Brazilian Amazon. These include incomplete regulatory and regulatory frameworks, financial and economic barriers, infrastructure and technical limitations, difficulty adding lines of business, knowledge gaps, among others.
- 1.5. In this context, the IDB is searching for a consultancy firm to provide institutional strengthening of the capacity of the Banco da Amazônia and state governments to foster an enabling environment to scale up investments in sustainable bio-businesses in the Amazon, resulting in forest conservation, reduction of deforestation, and improved capacity of governmental financial entities to promote and deploy resources towards these activities.

2. Objectives

- 2.1. The purpose of this consultancy is to support to the establishment of a Public-Private multi-stakeholder forum to facilitate constructive dialogue and offer financial and non-financial solutions to bio-business in leading Amazon states, led by the BASA.

3. Key Activities

- 3.1. Support the planning and execution of the activities elaborating work plans and monitoring their implementation, with periodic reports.
- 3.2. Identify and support, in coordination with IDB consultants, the development of alliances and agreements with external actors.
- 3.3. Advise the IDB and BASA teams on the implementation and design of one of several innovative instruments that can promote dialogue between actors in the national and regional financial markets.
- 3.4. Support IDB and BASA with activity planning, material delivery by making calls and meetings with potential members.
- 3.5. Organize meetings and events with the different actors mentioned above.
- 3.6. Coordinate with the IDB and BASA the agendas of meetings, related materials, and participation of members.

4. Expected Outcome and Deliverables

- 4.1. A brief initial report and work plan, with a schedule of activities. This will include the plan to execute the project and satisfactorily meet the program's goals.
- 4.2. Activity Report Including advances in necessary procedures and updates on work-related developments.
- 4.3. Report including activities developed including goals achieved up to the time of consulting.
- 4.4. Final Report activities, including the achievements and conclusions of the consultancy.

5. Project Schedule and Milestones

- 5.1. At the beginning of the consultancy, the consultancy firm will provide a working plan

²⁷ Strand, Jon, et al. "[Spatially explicit valuation of the Brazilian Amazon forest's ecosystem services.](#)" *Nature Sustainability* 1.11 (2018): 657-664.

proposal including a chronogram. This working plan must be approved by IDB and BASA.

- 5.2. Progress reports should be presented to IDB and BASA every 2 months.
- 5.3. A final version of the report must be presented after 12 months of the signature of the contract.

6. Reporting Requirements

- 6.1. In order to ensure smooth coordination between the consultancy firm, the IDB and BASA, the consultancy firm will provide a working plan at start of the consultancy, including schedule of activities and key milestones to be validated by the IDB in consultation with BASA, the Beneficiary.
- 6.2. Regular progress reports will be provided to both the IDB and the Beneficiary, in the format and frequency agreed to in the workplan.

7. Acceptance Criteria

- 7.1. The final version of the market assessment report will be reviewed for approval by IDB and BASA. Public disclosure of the report by the firm will be subject to authorization by BASA. Both the IDB and BASA will provide the contact of their staff in charge of approval (see below section 8).

8. Supervision and Reporting

- 8.1. Primary responsibility for supervision and approval of the consultancy will be of Maria Netto, Financial Markets Lead Specialist, IFD/CMF (mnetto@iadb.org), and secondly, Barbara Brakarz, Senior Climate Change and Sustainability Specialist, CCS/CBR. All activities of the consultancy will be coordinated with and be approved by IDB, in close coordination and consultation with the Beneficiary, BASA. Any comments or requests for adjustments should be addressed by the consultancy firm for satisfactory approval of IDB.

9. Schedule of Payments

Deliverables	%
Deliverable 1 – workplan	20
Deliverable 2 – First bi-monthly report	15
Deliverable 3 – Second bi-monthly report	15
Deliverable 4 – Third bi-monthly report	15
Deliverable 5 – Fourth bi-monthly report	15
Deliverable 6 – Final and Comprehensive Report	20

- 9.1. Payment will be based on project deliverables. The Bank does not expect to make advance payments under consulting contracts unless a significant amount of travel is required. The Bank wishes to receive the most competitive cost proposal for the services described herein.
- 9.2. The IDB Official Exchange Rate indicated in the RFP will be applied for necessary conversions of local currency payments.