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The LEAF Coalition

Lowering Emissions by Accelerating Forest finance



APRIL 22, 2021

Call for Proposals

Performance-Based Public-Private Coalition for Tropical and Subtropical Forest Conservation

The Lowering Emissions by Accelerating Forest finance (LEAF) Coalition aims to raise global climate ambition and contribute to halting tropical and subtropical deforestation and forest degradation by 2030.

It is a voluntary global coalition bringing together companies and governments to provide finance for tropical and subtropical forest protection at a scale not seen before.

The Call for Proposals aims to provide substantial financial support to tropical and subtropical countries that successfully reduce emissions from deforestation and forest degradation.

Coordinated by



The LEAF Coalition

Lowering Emissions by Accelerating Forest finance

Jurisdictions are invited to provide a cover letter template in their proposal submission.

Please note that in signing this form, you recognize that at a future stage, we will negotiate in good faith with a view to mutually fair and acceptable terms of a transaction through an Emissions Reduction Purchase Agreement (ERPA) with the LEAF Coalition participants via Emergent, acting as coordinator of Coalition.

Please note that the terms of the LEAF Call for Proposals (CFP) does not include removals due to the fact that ART/TREES 2.0 has not been finalized yet. Once the final version is published, all provisions therein will apply, and thus removals are expected to be eligible, and corresponding information will be requested of interested jurisdictions.

At this stage, jurisdictions are encouraged to provide succinct and clear responses with relevant links to this template. The LEAF Coalition participants recognize that the timeline for submission is short and as such does not expect complete and thorough explanations. Rather, we seek indication of willingness and ability to provide emission reductions to LEAF Coalition contributors according to the terms specified in the CFP. Please note that these answers are considered preliminary. If selected, Emergent will follow-up with further questions on a case-by- case basis.

Proposal submitted by (Name of Jurisdiction) (referred to as "Supplier" in this document)

Institution name: **Secretariat of Environment and Sustainability of the State of Pará**

Country: **Brazil**

Focal point's name, title:

Mailing Address:

Email address:

Telephone:

Brief description of legal authority to represent country or jurisdiction:

SEMAS - Secretariat of State of Environment and Sustainability, created by Law # 5.457, of May 11, 1988, under the name of SECTAM - Secretariat of State of Science, Technology and Environment, and restructured by Law # 5.752, of

July 26, 1993 and by Law # 7.026, of July 30, 2007, has the purpose of planning, organizing, coordinating, controlling, and evaluating the actions under the State's responsibility, which aim at the protection, the defense, the conservation, and the improvement of the environment and of the water resources, promoting a decentralized, democratic, and efficient management, through the coordination for implementing the State's Environmental and Water Resources Policies. SEMAS is the sectional agency of SISNAMA (National System of Environment) and the coordinating agency of SISEMA (State System of Environment and Water Resources), which develops the administrative actions, assigned to the States according to art. 8 of Complementary Law No. 140, of December 8, 2011, in order to achieve the objectives set forth in art. 3 of the same legal instrument, and to ensure harmonized and integrated sustainable development among governmental policies.

It is worth highlighting the establishment of the State Policy on Climate Change (PEMC), State Law No. 9048, of April 29, 2020, whose proposal was updated according to the global panorama of the climate agenda discussion that, by amending State Law No. 5.752/1993 (structuring of SEMAS), creates the Department of Bioeconomy, Climate Change and Environmental Services and establishes, in its article 5-T, that it is under the responsibility of the Department, directly subordinated to the Assistant Secretary of Water Resources and Climate Management, to plan and carry out plans, actions and programs related to meteorology, climate, hydrology and climate change, through the development and implementation of policies, actions, research and technical studies aimed at mitigating and adapting to climate change, improving water availability and minimizing the effects of adverse hydro-meteorological events, environmental services actions, and Reducing Emissions from Deforestation and Forest Degradation (REDD+).

Conteúdo preliminar - a ser atualizado

Please check applicable category that best defines your institution:

- National government
 - Sub-national government(s) (please specify applicable administrative level of government. If more than one subnational jurisdiction, please specify)

Please confirm that:

- The boundaries of a subnational accounting area correspond with the entire area of one or several administrative jurisdictions no more than one level down from national level and one or several recognized indigenous territories;
- Total forest area of at least 2.5 million hectares;
- The national government will provide the participant with a letter from the relevant national entity authorizing the Participant's application to and participation in ART.

- Recognized indigenous communities (TBC – depending on inclusion under the finalized ART TREES 2.0)¹

Please confirm that:

- The boundaries of a subnational accounting area correspond with the entire area of the territory/ territories;
- Participating territories must be comprised of a total area (forest and non-forest) of at least 2.5 million hectares;
- The national government will provide the participant with a letter from the relevant national entity authorizing the Participant's application to and participation in ART.

Expression of Consent

- The Supplier, by checking the box, agrees to negotiate in good faith towards entering into an Emission Reductions Purchasing Agreement (ERPA) with interested LEAF Coalition participants if the proposal is assessed as eligible.

Please note: if a proposal overlaps geographically with another proposal, the LEAF Coalition will require a plan for how the two potential Suppliers will distribute benefits amongst themselves as well as the Supplier Country's authorization in the form of a letter, in accordance with ART/TREES.

¹ Under the proposed draft of TREES 2.0, "Participants shall be national governments (i.e., the highest level of government that exists in the country), subnational governments no more than one level down from national level, or recognized indigenous communities provided the requirements in section 3.1.1 are met." The ultimate eligibility of Indigenous communities' jurisdictions will depend on the definition of jurisdiction under the finalized ART TREES 2.0.

Date of submission

July 30, 2021

Name of authorized representative

[Redacted]

Signature

[Redacted]

Conteúdo preliminar - a ser atualizado até 31/12/2021

General:

1. Forest Emission Reduction Targets (500 words excluding links and appendices)

Please provide a narrative and applicable links, outlining Supplier's forest goals related to emission reductions from REDD+²¹, for example, 2030 zero deforestation goals.

The Amazon Agora State Plan (PEAA) is the main platform of actions for the sustained reduction of deforestation in Pará. Launched in August 2020, the PEAA aims to promote a reduction of at least 37% of greenhouse gas emissions (GHG) from the conversion of forests and land use, until 2030 – compared to the average between the years 2014 to 2018 - and, from then on, with additional support, expand this performance, jumping to 43% reduction by December 2035 .

The PEAA² is equivalent to the new version (2020-2036) of the Plan for Prevention, Control and Alternatives to Deforestation in the State of Pará (PPCAD) , a public policy launched by the Government in 2009, and which, having as reference its federal equivalent, the Plan of Preventing and Combating Deforestation in the Legal Amazon (PPCDAM) has established itself as the main platform for actions in the area of Environment and Development.

While seeking to reduce deforestation progressively and without gallops, the PEAA also seeks to intensify plant regeneration, reaching the mark of 5.65 million hectares (ha) by the year 2030 , and, with voluntary support, to expand performance to 7.41 million ha by Dec/2035 . For comparative purposes, Brazil presented, in 2015, under the Paris Agreement (UNFCCC) , a commitment to restore 12 million ha by 2030.

Pará is the 2nd largest Federative Unit in Brazil, with a territorial extension of 125 million hectares, equivalent to the territories of the United Kingdom, Portugal, Holland and Belgium, combined. In addition, it ranks 1st among the 27 states in the country in the ranking of GHG emissions in Brazil, which in turn is the 7th largest emitter on the planet (WRI, 2020). Aware of the superlative of challenges, the PEAA established as its central objective to elevate Pará, from 2036, to the status of Net Zero Emitter (Net Zero) . That is, zeroing out the state's "contribution" to the intensification of Climate Change on the planet, based on an integration of efforts aimed at redesigning the economic model historically reproduced in the Amazon.

To achieve this objective, the Government of the State of Pará established that the PEAA must be guided by a robust strategy, based on 4 structural components and 3 transversal components .

Structural:

Environmental Inspection, Licensing and Monitoring;

- Territorial, Land and Environmental Planning ;
- Socioeconomic Development of Low GHG Emissions ;
- Long-Range Environmental Financing .

Transverse:

- Communication, Data Transparency and Participatory Management ;

1 reducing emissions from deforestation and forest degradation in developing countries, and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries.

2 <https://www.semas.pa.gov.br/legislacao/publico/view/8457>

- Infrastructure and Logistics for Sustainable Development ; and
- Information Technology, Innovation and Scientific Research .

□ National and International Agreements

At a regional level, Pará is an effective member of the Interstate Consortium for Sustainable Development of the Legal Amazon³ and of the Governors' Task Force for Climate and Forest⁴s. The governors of the 9 states of the Legal Amazon signed the Protocol of Intentions, within the scope of such Consortium, under which they repactuate, within the scope of their commitments, the reduction of deforestation as assumed in the Rio Branco Declaration. Also, recently, the Consortium of the Legal Amazon presented a Green Recovery Plan, in order to fight illegal deforestation and to contribute to the reduction of greenhouse gas emissions, as well as to address socio-economic inequalities through the generation of jobs and the promotion of sustainable economic growth.

Moreover, Pará is about to join Race to Zero in August 2021, given that the actions being developed are aligned with the campaign's goals. This is backed by the UN, bringing together a variety of stakeholders - companies, cities, regions, financial and educational institutions - to undertake strict and immediate measures to halve global emissions by 2030 and deliver a healthier and fairer zero-carbon world.

2. Progress towards, or readiness to meet (non-safeguards elements of) ART/TREES requirements (500 words excluding links and appendices)

Please provide a summary of the Supplier's progress towards preparing/submitting a concept note, and/or registration document for ART, including expected timelines for submission (e.g. estimated date by which a registration document might be submitted). Please include links to any relevant documentation that has already been submitted to the ART secretariat, if applicable.

Please provide an overview of the steps taken to align with non-safeguards requirements of ART/TREES, and Supplier's ability to meet such requirements. If this proposal is selected by the Coalition participants, this information will be accepted as indication of commitment towards meeting ART/TREES requirements.

The State of Pará is part of the 27 federative units of Brazil. It is located in the North Region, and is the second largest state in the country in territorial extension, with an area of 1,245,870.798 km², divided into 144 municipalities. With 8.5 million inhabitants (IBGE)⁵, it is the most populous state in the North Region. It is located in the Amazon biome, with a remaining forest coverage of 86 million hectares (PRODES), representing about 70% of its territory and 26% of the Brazilian Amazon forest.

The management of its forests is carried out by SEMAS - Secretary of State for Environment and Sustainability and IDEFLOR-Bio - Institute for Forestry Development and Biodiversity of the State of Pará. The monitoring of the State's forest area is done by CIMAM - Pará's Integrated Center for Environmental

³ <https://consorcioamazonialegal.portal.ap.gov.br/>

⁴ <https://www.gcftf.org/>

⁵ <https://cidades.ibge.gov.br/brasil/pa/panorama>

Monitoring, under the Environmental Monitoring Committee, coordinated by SEMAS.

By means of a robust framework of environmental public policies, it is aimed at establishing instruments for Reducing Emissions from Deforestation, Forest Degradation, Environmental Conservation, Sustainable Management of Forests and Enhancement of Forest Carbon Stocks (REDD+), in accordance to the federal regulation established through the National REDD+ Strategy (ENREDD+)⁶, the Thematic Advisory Chamber on Safeguards under the National REDD+ Commission (CONAREDD+), which is developing the Brazilian Safeguards Information System (SISREDD+).

PRODES⁷ is used by the state as the official database for monitoring deforestation. Its methodology includes the monitoring of a minimum mapping area of 6.25 hectares, but does not provide information on forest regeneration and degradation. But it understands the possibility of using other monitoring methodologies, such as Mapbiomas, as a way to meet the criteria established by the Fourth National Communication to the UNFCCC⁸ (minimum area of 0.5 hectares) and by the ART TREES environmental excellence standard.

Regarding the availability of official data on greenhouse gas (GHG) emissions, Brazil has a National Inventory of GHG Emissions and Removals⁹, which provides a complete overview of emissions in the country, including the historical series of GHG emissions from anthropic activities, which are identified in five sectors: Agriculture and Livestock, Energy, Industrial Processes, Changes in Land Use and Forestry, and Waste.

Pará established, by means of its State Policy on Climate Change, the use of the System of Greenhouse Gas Emissions and Removals Estimates (SEEG)¹⁰, which uses the Mapbiomas¹¹ database, as a basis of information for evaluating the reach of its deforestation reduction targets, contained in the PEAA. In addition, it is engaged in a dialogue with the Ministry of Science, Technology and Innovation (MCTIC) to use the national inventory of GHG emissions broken down by state. Such inventory will be formally presented in the first week of August 2021. The adoption of this disaggregated list will guarantee a methodology compatible with the national communication to the UNFCCC.

There is also the possibility of using CarbonCal (CCAL)¹², a carbon calculator developed by the Amazon Environmental Research Institute (IPAM), to support public officials, especially those linked to state REDD+ programs, in developing strategies to reduce emissions from deforestation and forest degradation.

Along with this exposure, the State of Pará demonstrates its effort and commitment to meet the eligibility requirements with the ART TREES Environmental Excellence Standard and prepares to submit preliminary information in a Concept Note to ART TREES starting in 2022.

6 <http://redd.mma.gov.br/pt/>

7 <http://www.obt.inpe.br/OBT/assuntos/programas/amazonia/prodes>

8 https://antigo.mctic.gov.br/mctic/opencms/ciencia/SEPED/clima/Comunicacao_Nacional/Comunicacao_Nacional.html

9 <https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/noticias/2020/10/inventario-nacional-de-gee-subsidia-planos-do-governo-na-area-ambiental>

10 <http://www.seeg.eco.br/>

11 <https://mapbiomas.org/>

12 <http://www.carboncal.org.br/>

3. Capacity building/technical assistance needs (500 words excluding links and appendices)

If applicable, please summarize the capacity gaps and needs for support identified as necessary to meet ART/TREES requirements, and plans to address these gaps before submitting validation/verification documents to ART. This information will be critical for planning purposes.

The State of Pará is committed to structuring its REDD+ Jurisdictional System to meet the requirements needed to access payment resources according to results obtained as well as the voluntary carbon market, and this stage of preparation requires pre-investments aimed at structuring its REDD+ policy, presented below.

- **Regulatory framework and institutional arrangement:** The state already has a framework of climate policies via the PEMC (State Policy on Climate Change) and the PEA (Planning for Low Carbon Resources Initiative), but needs to elaborate a specific regulatory framework for REDD+. This should establish an institutional arrangement, identifying the management agencies, their instruments and the executors of the policy, in addition to contemplating the means for civil society participation, taking into consideration the already existing opportunities for social participation. These must be defined in the legislation, integrated, and in full operation. To achieve this, it will be important to elaborate regulations and protocols for the functioning of the governance of the judicial system. For the effective social participation in the governance arenas of the jurisdictional system, such as the PEMC Steering Committee and the Para Forum on Climate Change, the state is aware of the need to guarantee resources to support the development of a Capacity Building Program for governmental and civil society stakeholders.
- **Monitoring safeguards:** The State of Pará has already begun to develop its Socio-environmental Safeguards Information System through internal diagnostic workshops and preparation of a preliminary framework of indicators and an action plan for the implementation and monitoring of the safeguards monitoring system. It already has support for the elaboration of the safeguard indicators matrix, but needs to carry out Public Consultation with indigenous populations and traditional communities. These public consultations will also be important for the elaboration of the REDD+ Implementation Plan and for the definition of benefit sharing.
- **Quantification and accounting of carbon credits:** Pará State's forest coverage monitoring system, anchored in CIMAM, under the coordination of SEMAS, already has robust instruments and tools for its enforcement. To comply with the requirements of ART TREES for the implementation of Monitoring, Reporting and Verification adequate for carbon quantification and accounting, technical support is required to guide the application of specific methodologies and protocols for carbon quantification and double accounting, in order to comply with the requirements of the ART TREES Registration Document. In addition, training courses for the technical staff that will carry out these protocols will be important to ensure continuity in their technical implementation.

In order to meet these and other technical demands for compliance with the ART TREES criteria, Pará will seek funding from potential donors, funders and investors who are able to support the structuring stage of this important legislation, in addition to the concept note that the Consortium presented to Emergent at the launch of the PRV. Moreover, it will also rely on the capture and performance of specific projects by the partners of the organized civil society.

4. High Forest Low/Deforestation (HFLD) (if applicable, **500 words excluding links and appendices**)

Please indicate whether the Supplier expects to qualify as HFLD according to the criteria in the draft TREES 2.0 and whether the Supplier proposes to make available emission reductions under LEAF according to a future , approved HFLD -methodology in TREES . Please note that expressing expectation to do so is not binding.

Conteúdo preliminar - a ser atualizado até 31/12/2021

5. Estimate of ART/TREES crediting level (non-binding)

Please provide an estimate of the ART/TREES crediting level, including annual estimates used to develop the crediting level, and links to further methodological descriptions of these estimates. We understand that these estimates are based on assumptions and will not be final.

Please indicate a tentative selection of baseline years, consistent with the ART-TREES standard.

Please indicate the assumptions made in the emission reduction volume calculations.

Please provide a link to relevant public documentation or reporting (e.g. National Communications, REDD+ strategy/action plan).

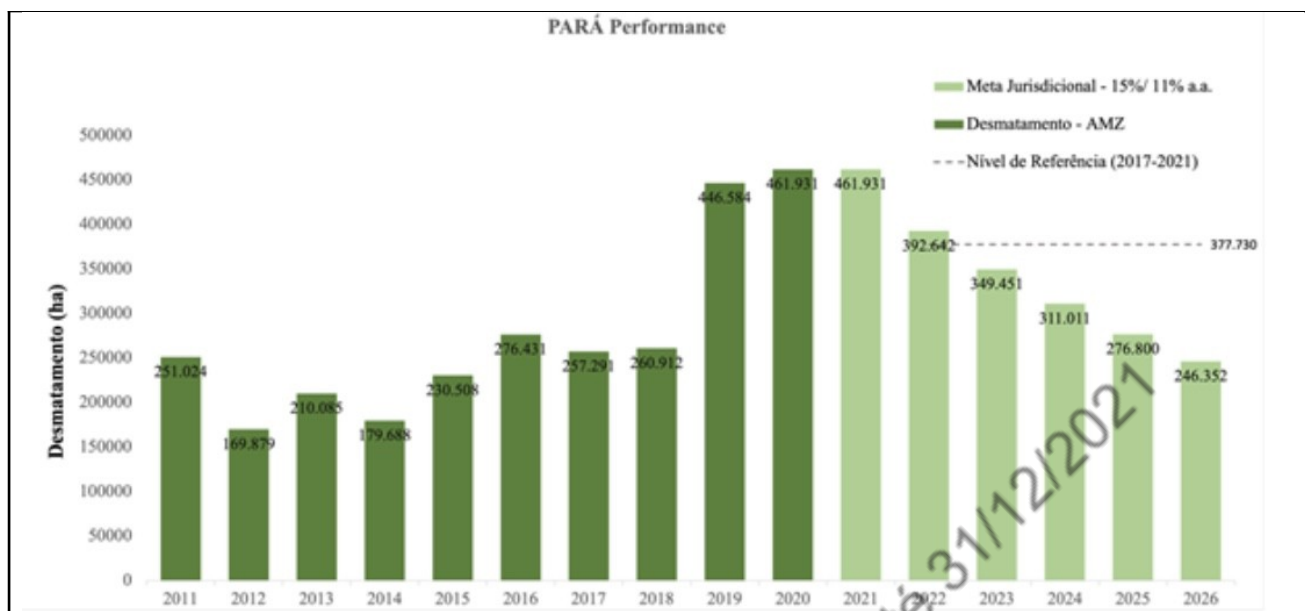
Estimates of the generation of credits from emission reductions in the State of Pará when applying the eligibility criteria of the ART TREES standard for the period established in the CFP of the Leaf Coalition, between 2022 and 2026, were made using the database of the Program for Monitoring Deforestation of the Brazilian Amazon Forest by Satellite (PRODES), which provides official deforestation data for the Brazilian Amazon Region.

The mapping done by PRODES has a minimum area of 6.25 hectares and corresponds to the period from August to July of each year. The data are available in two forms: rate and increment. For the scope of the analyses of the volume of credits, the values of increment were used, available up to the year 2020. Thus, the deforestation of 2021 was considered to be equal to that of 2020.

To calculate the emissions between 2022 and 2026, the reduction targets defined by the jurisdiction of Pará, for its territory, were used.

These reduction targets are based on deforestation in 2021 (agreed upon at the same level of the rate indicated by PRODES in 2020), so that for the Amazon biome, a 15% reduction was applied in the first year, 2022, and 11% in subsequent years. A greater reduction next year is expected based on the response of the operational components of the Amazônia Agora State Plan (PEAA), particularly in priority regions for combating deforestation.

The reference level, represented by the average deforestation between 2017 and 2021, according to methodological criteria established by ART TREES, was calculated from the annual deforestation increment provided by PRODES, resulting in the annual targets from 2022 to 2026 expressed on the chart below, together with the reference level obtained for the period in question (377.7 thousand hectares).



Graph 1. Pará performance in deforestation

The conversion of annual deforestation into CO2 emissions was done by multiplying the deforested area by the average carbon stock of the Amazon biome and by the conversion factor from tons of carbon to CO2 equivalent, defined in 44/12.

The average stock found for the Amazon biome was 160.77 t/ha, calculated as a weighted average according to data made available by the Fourth National Communication¹³, a reference report from the Land Use and Forestry Sector.

To estimate the volumes of annual credits generated from avoided deforestation, annual deforestation was converted to tons of carbon, and compared to the reference level from the 2017-2021 average emissions (222.7 million tons of CO2 equivalent).

6. Annual target ERs¹⁴ (non-binding)

Please provide an estimate of the ART /TREES expected volumes of ERs that may be delivered annually in the 2022-2026 period. We understand that these estimates are based on assumptions, and will not be final.

¹³ https://sirene.mctic.gov.br/portal/export/sites/sirene/backend/galeria/arquivos/2018/10/11/RR_LULUCF_II_CN.pdf

¹⁴ Note that this is an initial estimate. The LEAF Coalition does not expect the figures to be exact at this stage.

Emission reduction volume estimates for the state of Pará are expressed in the table below, with the first column being the cumulative reduction.

Annual credits shown in the table below total 193 million tons of CO₂ equivalent. After removing the deductions related to leakage (20%) and buffer (20% in the case of Pará, where mitigation factor #3 is applied), we obtain a net volume of credits of 115.8 million tons of CO₂.

It is worth noting that these net volume estimates do not yet include any discounts in accordance to CONAREDD Resolution 6, which provides for the distribution of the limits of payment received according to emission reduction results between the Federal Government and the states of the Amazon biome. At the time of the transaction, these emissions reductions will be consolidated in the ART TREES Registration Document and must be aligned with the CONAREDD methodologies and definitions, integrated and "nested" to the Nationally Determined Contribution¹⁵ (NDC) targets and made compatible with Infohub.

Delivery by the end of (year)	Quantity (range, in metric tonnes CO ₂ equivalent)	Crediting year (<i>please specify in brackets if emissions from forests are accounted for according to timelines that deviate from calendar years (e.g. Aug 1st – July 31st)</i>)
2022	-	2022
2023	10.002.938,60	2023
2024	23.600.038,12	2024
2025	35.701.456,69	2025
2026	46.471.719,22	2026

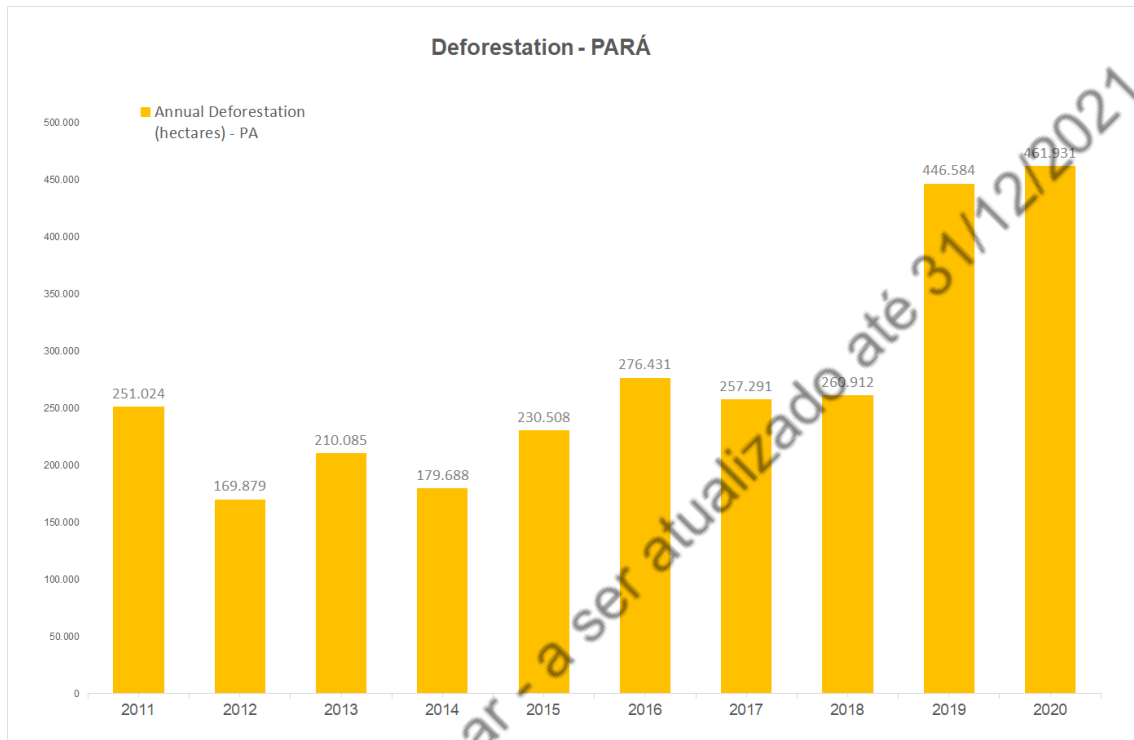
7. Policies and Measures (500 words excluding links and appendices)

Please provide a summary of existing policy measures, regulations, enforcement and public finance instruments (taxes, transfers, subsidies) the Supplier determines are adequate to achieve the ERs, and a reference to where this information is publicly provided. If applicable, please describe other interventions (beyond policies and measures) Supplier has taken, or will take, to reduce deforestation and forest degradation, and enhance sequestration in order to provide ERs under LEAF (e.g. forest fire prevention). If the interventions are not yet operational, please provide a timeline with milestones.

Pará stands out for its mineral, energy, and agricultural potential, a highlight in the national and international context. As one of the most dynamic economic frontiers in the Legal Amazon, it is susceptible

¹⁵ <https://www4.unfccc.int/sites/NDCStaging/Pages/Party.aspx?party=BRA>

to the political and market context. These events can bring externalities such as consequences to deforestation. In the last two years, the average increased 50% when compared to that found eight years before (Graph 2). Among the land categories, undesignated Public Forests increased by 54% (mostly in federal areas). In 2020, deforestation on private properties (CAR, SIGEF and SNCR) and rural settlements represented 38% of the total. Deforestation was concentrated (75%), in three of the twelve integration regions: Xingu (36%), Tapajós (22%) and Araguaia (17%).



Graph 2. Pará performance in tons of carbon

Thus, to achieve a balance between economic development and the adequate management of natural resources is a great challenge that requires efficient actions to combat illegal deforestation and the adoption of public policies that promote sustainable economic alternatives. The actions aimed at reducing deforestation and increasing carbon stocks in the territory of Pará are organized in the four components of the PEAA¹⁶:

- **Enforcement, Licensing, and Surveillance**

Activities related to **Environmental Licensing** for economic activities, Command and Control and monitoring as a cross-cutting instrument for effectiveness and the expansion of results. One of the most significant recent achievements was the creation of the State Force to Combat Deforestation¹⁷ - FECD (State Decree No. 551/2020), a special unit dedicated to performing environmental intelligence, monitoring and enforcement actions in the territory of Pará. Since May 2020, the FECD is dedicated to the steps of the

16 <https://www.semas.pa.gov.br/amazoniaagora/transparencia/>

17 <https://agenciapara.com.br/noticia/17977/>

Amazônia Viva Operation, focusing on the municipalities with the highest rates of deforestation. By July 2021, OAV had already concluded 13 steps, with a detailed balance statement¹⁸.

- **Territorial, Land Use and Environmental Planning Axis**

A set of actions aimed at guaranteeing the **Environmental Regularity and Land Regularity** of rural properties in Pará. The **Regulariza Pará Program** is the main operating instrument of this axis, by bringing together efforts ranging from the infrastructural improvements of the agencies involved, to the targeting of regularization actions in priority areas, so as to meet the targets established in the PEAA. So far, the Program is yielding important results, with 2,354 documents issued, including domain recognition of collective territories, grants of rights and property titles, and 17,562 Rural Environmental Registrations (CAR) analyzed in 2020 (versus 5,102 in 2019 and 1,874 in 2018), among others.

- **Low Carbon Socioeconomic Development**

The Integrated Action Policy for Sustainable Territories (TS), established by State Decree No. 344/2019¹⁹, aimed at increasing productivity in areas already open with landscape recovery and income generation from individual and family development opportunities. In one year of operation, 940 rural growers have shown interest in participating in the sustainable productive development actions. Of these, 435 properties are ready to receive the integrated actions of the state with access to credit lines, availability of inputs and specialized technical assistance, in addition to the environmental and land regularization processes in progress.

- **Far Reaching Environmental Finance**

In order to maintain the perpetuity of the PEAA results, the government's fundraising area works to expand the investment capacity in favor of the Plan. This is done through prospections with philanthropic entities, international organizations, bilateral and multilateral entities, as well as the business community.

8. Use of Proceeds (1000 words excluding links and appendices)

Please acknowledge the eligible uses of proceeds as established in the CFP, and provide initial thinking on the focus of a high-level investment framework describing the plans or arrangements in place for investing the proceeds of a transaction with LEAF Coalition contributor. This plan should be consistent with achieving the Supplier Country's NDC and sustainable economic development with a priority for forest protection and forest restoration, including its REDD+ strategy/action plan. The plan must also explain how benefits from such a transaction will be distributed to stakeholders. This plan should demonstrate equity, inclusivity, and transparency, and it should reach local communities and support wider climate goals. Suppliers may indicate

18 <https://www.semas.pa.gov.br/2021/07/05/operacao-amazonia-viva-amplia-resultados-em-municipios-que-mais-desmatam-no-para/>

19 <https://www.semas.pa.gov.br/legislacao/normas/view/1230>

whether future payments will be used to leverage up-front investments, if applicable. In other words, proceeds may be used to repay bonds or loans that were used specifically to finance activities that are consistent with the guidance on use of proceeds.

The resources potentially raised under the LEAF Coalition should be applied to the scalability of the actions explained above, included in the PEAA Components:

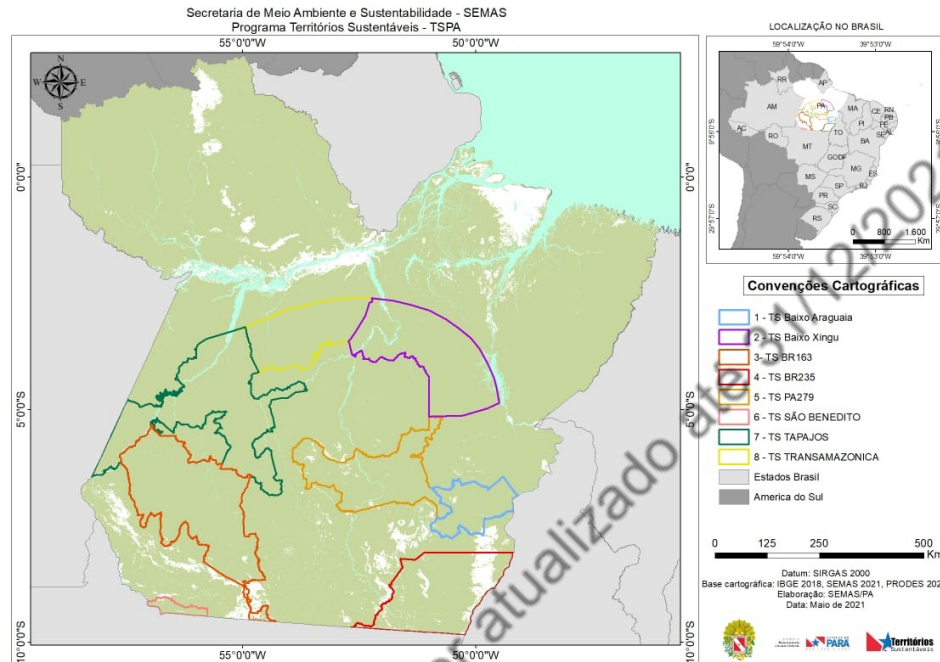
- Environmental Enforcement, Licensing, and Surveillance;
- Territorial, Land, and Environmental Planning;
- Socioeconomic Development of Low GHG Emissions.

The reach of REDD+ resources for the target audience will be based on the program structure that will be built into in the scope of the Pará REDD+ Jurisdictional System. Through this approach, the use of financial resources will be through policies, programs and/or subprograms, such as the Regulariza Pará Program, the Integrated Action Policy for Sustainable Territories, or new policies and plans, such as the Payment for Environmental Services Law (PES) and the State Bioeconomy Strategy, in order to directly reach potential beneficiaries.

- **Sustainable Territories:** Currently the ST is being carried out in only one region. The phase of participative development of the Policy for Integrated Action of Sustainable Territories will scale up the actions of the PEAA to other regions and will include the municipalization of the Policy and its larger scale of coverage (Figure 1). There will be an emphasis on gender equity, participation of traditional peoples and communities, and empowerment of young people in the countryside. The subprograms for traditional indigenous territories will be designed in a participative way, when they are in the area of influence of an implementation territory. Thus, the expansion of the actions will ensure broad social participation to safeguard social, collective and cultural identity, customs and traditions. The actions will seek to:
 - increase productivity through technical assistance, rural extension and field technological innovation;
 - generate work and income based on the valorization of the products and by-products of the Amazon biodiversity;
 - Design measures for sustainable development and climate justice, considering their impacts on human rights, particularly for women, rural workers and children, combating child labor and slavery;
 - promote land use planning and environmental compliance as an incentive to sustainable rural development and a culture of peace in the countryside;
 - promote a secure business and credit environment favorable for the development of a low-carbon economy;
 - carry out actions for the protection and maintenance of ecosystems and hydrological cycles, in order to ensure the continuity of ecosystem services, promoting the participation of traditional, indigenous and maroon peoples and communities, their traditional knowledge and their visions of harmonious development with nature, respecting their social, collective and cultural identity, customs, traditions and institutions; and
 - reduce socio-environmental risks in investments in order to strengthen economic opportunities in already converted areas.

To give scalability to the actions of the Sustainable Territories Program, Pará is articulating the construction of a platform that will connect and integrate similar actions among the public, private, and third sectors, to give scale and effectiveness to existing or to be developed low carbon socioeconomic development initiatives in the State of Pará.

Figure 1. Policy for Integrated Action of Sustainable Territories.



- State Bioeconomy Strategy:** to be launched by October 2021 during the International Bioeconomy Forum. The strategy, which is being built in a collaborative way between different state government agencies, aims to establish an economic development model anchored in the Bioeconomy, by fostering solutions based on nature, valuing traditional knowledge, and ensuring social inclusion to promote the quality of life of the population, environmental conservation and contribute to achieving climate neutrality in the State of Pará. The primary guidelines for the bioeconomy strategy include respect for socio-environmental safeguards and fair benefit sharing, with the involvement of indigenous peoples, traditional and local communities, in order to reduce inequalities and social injustices; to avoid the degradation of ecosystems that have high forest carbon stocks or biodiversity value, while seeking to restore those that have already been degraded, through regenerative and sustainable ways; to contemplate sustainable production and climate resilience.

This will ensure that the commitments for distribution of resources from REDD+ policies reach the forest communities in an effective, efficient, and equitable way, guaranteeing a correct distribution of benefits. The Stock-Flow approach²⁰ is widely used in several initiatives in Brazil and is already used in the distribution of benefits from the ICMS Green²¹, in the state of Pará, and in establishing the limits for gathering and

20 Moutinho, P.; Guerra, R. Programa REDD para EarlyMovers—REM: Abordagem de Estoque e Fluxo para a Repartição de Benefícios em Programas de REDD: Conceito e Prática na Implementação de REDD no Estado do Acre; Instituto de Pesquisa Ambiental da Amazonia—IPAM: Parabellum, Brazil, 2017; doi:10.13140/RG.2.2.14344.42248

distributing REDD+ results for the ENREDD states.

This approach is driven by two variables: deforestation data and forest stocks, measured in the different categories of land occupied by the territory (indigenous groups, large private growers, rural settlers, extractivists, etc.). The EF mechanism is therefore done by calculating the carbon stock of the forest and the reduction of the flow, that is, of carbon emissions via deforestation and forest degradation.

The state of Pará has a wealth and a diversity of traditional populations such as maroons, riverines and indigenous communities that need to be included in the distribution of REDD+ financial resources, since they contribute to the conservation of biodiversity in the state of Pará. In order to consider the inclusion of these populations in the access to resources generated by jurisdictional emissions reductions, the state will use modeling based on the contribution of each category for emissions reduction and will organize an extensive consultation process with all the beneficiaries involved to arrive at the best distribution design, so that all parties feel included and fairly compensated for their efforts to reduce greenhouse gas emissions.

9. NDC Alignment (500 words excluding links and appendices)

Please explain how payments received under LEAF would contribute to achieving the targets established in the Supplier Country's NDC.

Please also indicate how it is envisioned that the payments will contribute to raising the level of

NDC ambition over time. Please note that it is not expected that potential Supplier Countries will be able to commit to increasing ambitions by the July 30th deadline. Rather, a simple narrative about how this is envisioned is welcomed.

The resources will be applied in programs that contribute to the achievement of the national reduction goals of 37% below the 2005 level by 2025, and 43% below the 2005 level by 2030, as well as the goal of carbon neutrality, announced by the federal government, by 2060.

In considering the goals of the Brazilian NDC, Pará is committed to its implementation and will work towards:

- **Enforcing compliance with the Forest Code**, as already demonstrated historically in the implementation of the Native Vegetation Protection Law (n. 12651/2012):
 - State regulations (SEMAS Normative Instruction n.1/2020²²);
 - Technical Manuals, Methodology Guides and roadmaps for adherence to the PRA,
 - Actions in the scope of PEAA through the Regulariza Pará Program.
 - Implementation of the Green Seal²³.
 - Structuring of the CAR Information System - SICAR/PA²⁴ and platform for consultation on the environmental regular status of properties
 - State government efforts to further expand productivity in CAR validation, following the path that has already allowed it to go from 1,874 entries analyzed in 2018 to 17,562 entries analyzed in 2020.
 - Actions in the scope of PEAA through the Regulariza Pará Program, and
- **Enhancing policies and measures** to achieve zero illegal deforestation by 2030, and offsetting GHG emissions from legal vegetation suppression by 2030, which is already reflected in the state targets established in the PEAA (reduction of at least 37% of GHG emissions from deforestation by 2030 - relative to the average between the years 2014 to 2018);
- **Restoring 5.65 million hectares (ha) by 2030**, of the 12 million committed by the country, also foreseen in the PEAA. This effort by Pará would represent about 47% of the commitment made by the country.
- **Strengthening the Low Carbon Emission Agriculture Plan (ABC Plan)** as the main strategy for sustainable development in agriculture. The state government should proceed in the coming months with the reactivation of the low carbon agriculture plan committee (ABC Plan).

Measures are also being directed at the:

22 <https://www.legisweb.com.br/legislacao/?id=402545>

23 <https://www.semas.pa.gov.br/2021/04/27/para-lanca-plataforma-seloverde-em-apoio-a-agropecuaria-sustentavel-e-a-rastreabilidade-da-cadeia-productiva-do-estado/lancamento-plataforma-selo-verde-3/>

24 <http://car.semas.pa.gov.br/#/>

- Implementation of policies that respect human rights, in particular those for vulnerable communities, indigenous populations, and traditional communities, as is the case of the Sustainable Territories Policy, an instrument of the PEAA;
- Implementation and strengthening of policies to support and develop family growers and workers in those areas affected by climate change policies and plans, as already included in the PEMC/PA;
- Fostering gender-sensitive measures and strengthening rural youth, also considered in the Sustainable Territories Policy, a tool of the PEAA.

10. Nesting (500 words excluding links and appendices)

If applicable, please describe Supplier's initial approach for how double counting from relevant activities with overlapping geographical scope will be avoided. This should include Supplier's approach to accounting for incorporation of activities either crediting, or seeking results-based payments for emission reductions from forests in the same geographical area (e.g. emission reduction or sequestration projects).

In order to achieve greater ambition, the State of Pará encourages project-level activities ("nesting") as a way to scale up efforts to reduce deforestation from a variety of stakeholders, including Indigenous Peoples, local communities, and the private sector. The State plans to develop a robust strategy to incentivize nesting using a participatory process to maximize coordination between jurisdictional REDD+ and project-level activities and provide centralized oversight to guarantee ART/TREES' requirements regarding environmental and social safeguards, as well as double counting and double issuance are followed.

To accomplish this goal, the following high-level steps will be put in place following the acceptance of Pará's application into LEAF Coalition's first round of proposals:

1. Assessment of existing project-level activities in the State of Pará in addition to the VCS data base below, as well as the methodology in place to verify credits
2. Definition of Pará's preferred nesting approach, among the several potential project-level activities scenarios considered under the ART/TREES Standard
3. According to TREES safeguards requirements, description of procedures for the recognition, inventorying, mapping, and securing of land and resource tenure rights where REDD+ actions are implemented and how resources will be allocated to implement these procedures.
4. Assessment of the existing national and state-level legal framework that relates to carbon rights
5. Engagement with the Federal Government and other Brazilian states to start a discussion about alignment nesting strategies
6. In terms of avoiding double counting between the jurisdictional REDD+ program and project-level activities in overlapping territories, the state of Pará will consider national and state policies and tools for the robust accountability of emission reductions.

11. Transfer of Title (500 words excluding links and appendices)

The State of Pará is interested in paths [#1], [#2], [#3] and [#4] whenever and as long as they are legally feasible and admissible under current legislation. With regard partially to path #3 (in relation to the specific issue of transfer of ownership) and path #4 (transfer of ownership and use for the corresponding internal commitments of the buyer), the actions to be carried out under the UNFCCC and Paris Agreement by virtue of a formal declaration and expressly inserted in the NDC will be subject (as a general rule) to the prior and formal consent of the Federal Government regarding the transfer of units:

- Excerpt from NDC - Page 2: "The Brazilian Government emphasizes that any transfers of units from mitigation results achieved in the Brazilian territory will be subject to the prior and formal consent of the Federal Government".
- In this sense the State of Pará understands that always and whenever the pertinent national and international legislation in force and the scope of subnational competence that assists it as a federated entity so determine and allow, and equally once the legal and regulatory requirements applicable at the national level are met, there may be room for the use of paths #3 and #4.

12. Corresponding Adjustments (500 words excluding links and appendices)

Please indicate Supplier's willingness to consider ERs with corresponding adjustments, per pathway #4 outlined in the terms of the CFP.

If applicable, please indicate the portion of total ERs (if any) for which the Supplier proposes to make a corresponding adjustment to the national account.

Please refer to CFP document term "nature of transactions" for detailed explanation of options under CFP related to corresponding adjustments.

The Brazilian NDC expressly states that transfers of units related to emission reductions are subject to the prior and formal consent of the Federal Government for transfer purposes: Excerpt from the NDC (Page 2): "The Brazilian Government emphasizes that any transfers of units from mitigation results achieved in the Brazilian territory will be subject to the prior and formal consent of the Federal Government".

Thus, in the scope of its competencies as a federative entity under the terms of articles 22, 23, 24 and 225 of the Federal Constitution, as well as the provisions in the law that established the National Climate Change Plan - Law 18.187/2009 and its respective regulating decree - Decree 9.578/2018, the State of Pará intends to consider the future application of corresponding adjustments, contingent on the regulation of Article 6 of the Paris Agreement within the scope of the UNFCCC negotiations and the alignment with the Federal Government to achieve the Brazilian NDC.

Being prepared for the application of corresponding adjustments can be an important step to access international carbon markets in the future under Article 6 of the Paris Agreement, as well as through

bilateral agreements as is already being done, for example, between Switzerland, Ghana and Peru.

It is worth noting that the state has been closely following the formalities and discussions regarding the Bill (PL) No. 528/2021. The PL is intended to regulate the Brazilian Emissions Reduction Market, determined by the National Policy on Climate Change (PNMC; Law no. 12.187/2009). Besides confirming Certification Standards, the National System for Greenhouse Gas Emissions Inventory Registration (SNRI-GEE) seeks to harmonize the jurisdictional system between the Union and the States and, consequently, avoid double counting and allow the country to advance in its nesting strategy.

13. Environmental, Social and Governance Safeguards (1000 words excluding links and appendices)

Please provide a brief description of the steps taken to assess safeguards requirements of ART/TREES and Supplier 's ability to meet such requirements. The Supplier should outline how all the TREES safeguards (Section 12 of the standard) will be addressed and respected, and how a national system for providing information on safeguards, or subnational equivalent, will inform TREES safeguards conformity.

Your response should include an outline of key current gaps in TREES safeguards conformance and plans for gap-filling actions. Subnational Suppliers should outline how safeguards tracking and/or monitoring tools are consistent with national tracking or tools, in particular with the national system for providing information on safeguards.

Please provide links to relevant publicly available information (e.g. summaries of information on safeguards as submitted to the UNFCCC and/or provide a link to, or describe, the either digital or analog system for providing information on safeguards).

The State of Pará is in the process of drafting a specific legislation on REDD+ and Safeguards Information System. It is already possible to identify a set of actions and tools that will contribute to the establishment of the legal and institutional framework and structures necessary to ensure safeguards at the subnational level.

Safeguard A. Consistency between State and Federal Public Policies

Pará has produced a set of legislations that contributes to the goal of reducing deforestation and emissions. One of them is Law No. 9.048/2020 on climate change and PES, recently approved and that includes private REDD+ projects; it also has the Amazonia Agora State Plan (PEAA), published by Decree No. 941. Through this plan, the state intends to increase the efficiency of land use, raise funds from investors to promote eco-efficient activities, encourage the regularization of environmental land ownership and fight deforestation and forest fires.

The state also has a forest legislation that is based on federal legislation, as follows: State Law no. 5.887/1995 (State Environmental Policy); State Law no. 6.462/2002 (State Policy for Forests and other forms of vegetation); State Law no. 6.745/2005 (Ecological Economic Zoning); State Decree no. 2.190/2018 (regulates the compensation of the Legal Reserve under the easement); State Law no. 6.963/2007 and subsequent amendments (Creates the Institute for Forest Development and Biodiversity of the State of Pará - IDEFLOR-Bio); State Decree no. 1.379/2015 and subsequent amendments (creates the Program for Environmental Regularization of Rural Properties of the State of Pará - PRA/PA); among other infra-legal norms.

To comply with the ART TREES standard, the state must prepare a specific law addressing a jurisdictional REDD+

system that includes: (a) state socio-environmental safeguards, aligned to the Cancun safeguards, (b) the necessary governance for its enforcement; (c) a fair and equitable benefit sharing model; (d) transparency and MRV systems; and (e) definition and demonstration of the coherence between REDD+ actions with national forest policies/programs and the State of Pará, such as the National Climate Policy (Federal Law no. 12.187 / 2009); National Plan on Climate Change; Action Plan for the Prevention and Control of Deforestation in the Amazon (PPCDAM); Brazil's Nationally Determined Contribution (NDC), among others.

Safeguard B. Governance and transparency of environmental information.

With respect to state forest governance structures, since 2019 Pará has had the Pará State Council for Indigenous Policy (CONSEPI), in addition to FPMAC and the SISMUC (Climate Policy) Management Council. To comply with the ART TREES governance requirements, the state still needs to: (i) create / adapt a specific structure to discuss state safeguards; (ii) create a Technical Chamber work plan that can bring the discussion of Socio-Environmental Safeguards of Indigenous Peoples and think of monitoring mechanisms with shared management; (iii) improve the implementation of the already existing spaces (CONSEPI, FPMAC and NPEAA); (iv) elaborate a Continuous Capacity Building Program to strengthen social participation in the elaboration, implementation and monitoring of environmental and climate public policies.

Transparency

The State of Pará, since 2015, instituted Decree No. 1,359, which regulates the implementation, in the state, of Law No. 12,527/2011, known as the Access to Information Law, which ensures the constitutional right of access to public information. Pará is also developing, in the context of the Eastern Amazon Fund (FAO), an Environmental Transparency Platform (in progress and the managing authority will be chosen in August).

The state also has efficient legal institutions to guarantee the transparency of the use of resources, such as the State Audit Court (TCE), the State Public Prosecutor's Office (MPE) and the State Attorney General's Office (PGE), the State Auditor's Office (AGE) and the State Audit Public Ministry.

With regard to environmental transparency, it is necessary, however, that the state creates an environmental accounting center; a center for monitoring the results and impacts of environmental and climate public policies in Pará; an environmental transparency platform; ombudsman and whistle blowing mechanisms; compliance and non-compliance investigations; land title regularization; and establish a culture of transparency, which will happen via the PEAA's Sustainable Territories.

Safeguards C and D. Recognition of the Rights and Partition of Indigenous Populations and Traditional Communities
Concerning the rights of indigenous and traditional populations, the State responds in a partial way to the structural indicators listed in ART TREES, as demonstrated by the progress of federal and state legislations that guarantee the recognition of the rights of indigenous and traditional populations, among others, demonstrated both in the Constitution of the State of Pará, and in Article 3, VII and VII of State Law No. 9.048/2020 (ethno-mapping, ethno-zoning), in addition to the PEAA (mainly the Sustainable Territories Program).

Additionally, it is necessary to integrate the available information on Traditional Indigenous Territories, Maroon Communities and local communities into the information systems and decision-making processes for REDD+ actions. It is worth noting that the Sustainable Territories Policy, a tool of the PEAA, reinforces the importance of respecting and recognizing traditional indigenous and maroon communities.

Participation

The state is currently debating the creation of some tools to assist in the effectiveness of social participation, the Social Participation Portal. To guarantee a qualified participation it is necessary to (i) use a language adjusted to the indigenous peoples, maroons and local communities; in addition to (ii) establishing general CLPI procedures for indigenous populations for the validation of REDD+ legislation, when necessary; (iii) promote the participation of these populations in councils and instances related to REDD+ and climate change and elaborate action plans for the three technical chambers: 1. Technical Chamber of Environment, Security and Territory of CONSEPI/SEJUDH (to prepare a

Work Plan); 2. Technical Chamber of Indigenous Peoples, maroons and traditional communities safeguards (discuss draft, forward to the plenary of the FPMAC)); and 3. Technical Chamber of gender equality, equity and climate change (appoint the Counselors of the CT and draft a Work Plan).

The other necessary actions are the activation of the Steering Committee of the State System on Climate Change (COGES) of PEMC and the establishment of a technical committee for SISREDD+, in order to create the modeling and design of this system and identify structure, processes, indicators, as well as to provide for public consultations to discuss this system with stakeholders.

Also regarding participation, it is necessary to expand the Para Forum on Climate Change to other audiences and other locations; implement a comprehensive capacity building plan on climate change and REDD+; provide resources to traditional populations for social participation in these decision and participation spaces; implement alternative participation mechanisms (live broadcasts with the possibility of remote participation among others); carry out an analysis of the effective expansion of indigenous peoples and traditional communities in the existing decision-making processes related to climate policies, projects and actions; design a governance model suitable for the participation of indigenous peoples and local communities; and elaborate a digital inclusion plan for these groups.

14. Financial Intermediary (FI)

Before an ERPA can be finalized, an accredited FI must be identified as a channel for disbursement of funds. FIs will ensure that robust monitoring and reporting procedures on the use of proceeds are in place ⁴. If available, please provide the name of the proposed institution(s). Please note there may be multiple candidates institutions.

Considering the level of demand in relation to the criteria of good management practices, transparency, governance, social control, and compliance; and the complexity in managing financial resources from different sources and legal natures, the State of Pará identifies for the purpose of "Financial Intermediary" the following organs/institutions, which may be qualified, individually or collectively, to receive and disburse financial resources:

i) **Eastern Amazon Fund (FAO)** - The Fund was created by State Decree n. 346, 2019, as an instrument of private collaboration to achieve the goals of public policies for the environment and development in the State of Pará. **FAO aims to enable the adoption of measures that result in (I) reducing illegal deforestation and the emission of Greenhouse Gases (GHGs) in the territory of Pará; and (II) - meeting the goals set out in the public policies for the environment and development of the State of Pará.**

The Decree that created the FAO established the investment pillars of the Eastern Amazon Fund (FAO) that are directly linked to the structuring actions for reducing deforestation in the state. These pillars also correlate to the Goals of the 2030 Agenda for Sustainable Development (ODS) and will include:

- I. the State environmental, land and territorial regulation;
- II. the implementation and consolidation of Protected Areas;
- III. environmental control, surveillance and monitoring;
- IV. the sustainable forest management and the administration of public forests;
- V. the promotion of environmental conservation and the sustainable use of biodiversity assets, especially the incentive to ecosystem services

- VI. the promotion of sustainable economic activities and chains based on the use of natural resources;
- VII. the increase of productivity of agro-forestry-livestock productive chains;
- VIII. the recovery of degraded areas and the increment of forest stocks;
- IX. the promotion of the environmental quality agenda in Para State cities, especially those geared to environmental sanitation and solid waste management;
- X. the strengthening of integrated environmental management instruments, such as Ecological Economic Zoning, the Rural Environmental Registry, and the Hydrographic Basin Committees, and the like;
- XI. the qualification of public agents and the modernization of the Administrative Management of the organs that compose the State System of Environment (SISEMA);
- XII. the enforcement of governance and transparency instruments for the social control of public policies; and
- XIII. other themes in the environmental area that are consistent with FAO's objectives.

FAO has a Management Committee made up of representatives from the State Government and Civil Society. The Financial Management of the Fund will be carried out by a Civil Society organization, whose selection process is in its final phase.

The financial manager should (i) keep the books and records in accordance with the general Brazilian accounting principles, proper to the resources received; (ii) annually disclose, on its website, the financial statements, management and application of the resources of the Eastern Amazon Fund (FAO); (iii) - comply with all financial and fiscal rules in force in the country; (iv) present, in a detailed manner, for the approval of the Steering Committee, information on the investments and application of resources of the Eastern Amazon Fund (FAO); (v) adopt mechanisms and internal procedures for safeguarding, integrity, auditing and incentive to the reporting of irregularities, related to the Eastern Amazon Fund (FAO); and, (vi) establish codes of ethics and conduct for its officials, employees and collaborators.

The Fund, by its legal nature, represents the necessary institutionality for raising and managing financial resources, especially non-reimbursable resources from the voluntary carbon market for application in programs, sub-programs and projects related to the REDD+ Jurisdictional System.

ii) **Banco do Estado do Pará (Banpará)** - is a private legal entity, incorporated as an open joint-stock company, with mixed economy, structured as a multiple bank that also operates in the implementation of public policies to foster the economy of the State of Pará, pursuant to State Law No. 1819 of November 30, 1959, and is governed by these Bylaws, State Laws No. 4595/64, No. 6404/1976, No. 13303/2016 and other legal and regulatory provisions applicable to it. Since 1961, Banpará has offered services to the Paraense community and contributed to the development of the State. Throughout its existence, based on its perennial mission as an agent for the socio-economic development of the State of Pará, Banpará has worked to offer quality products and services to customers and users. For this very reason, it invests in training its human resources and in state-of-the-art technology to work with the best practices in the financial sector. Its mission is to create public value for the State of Pará, as a self-sustainable, modern bank that promotes sustainable economic and social development, focusing on customer and shareholder satisfaction. Its institutional vision is to **consolidate Banpará as a retail bank that promotes sustainable development, with a presence in all the municipalities of Pará, promoting innovation and financial intelligence to attract investments and generate the best economic and social results.**

Banpará has a capital stock of approximately R\$1,300,664,000.00 (one billion, three hundred million, six hundred and sixty-four thousand reais) represented by 9,521,649 (nine million, five hundred and twenty-one thousand, six hundred and forty-nine) registered ordinary shares with the State of Pará holding 51% of these shares.

The Bank's Governance includes a General Shareholders' Meeting, a Board of Directors, a Collegiate Board of Executive Officers and a Fiscal Council. The Bank also has an Internal Audit arrangement, a Risk Management and Internal Control department and the Audit, Eligibility, Remuneration, Statutory Risks and an Ombudsman Committees. Banpará is also subject to all the compliance and external control instruments from the Central Bank of Brazil and the control agencies established by Federal Law No. 13,303/2016, which provides for the legal status of the public company, the mixed economy company and its subsidiaries, within the scope of the Union, the States, the Federal District and the Municipalities, as well as Federal Law No. 6,385/1976, which deals with the securities market and creates the Brazilian Securities and Exchange Commission.

Within the institutional arrangement that will define the financial mechanism for the State of Pará REDD+ Jurisdictional System, Banpará is expected to exercise the powers and competencies related to the entire relationship with the private and regulated carbon credit market and other economic instruments already established, especially to (i) develop strategies to raise financial resources and private investments related to the REDD+ Jurisdictional System; (ii) raise financial resources from public, private or multilateral sources, in the form of non-reimbursable resources and/or funding or investments as defined by the regulation that establishes compatibility with the responsibilities of the FAO; (iii) manage and sell, to the extent of its powers, the assets and credits resulting from ecosystem services and products arising from programs, sub-programs, plans and projects, especially carbon credits; and finally, plan, create and manage economic instruments and green bonds related to environmental assets in capital markets. It is worth mentioning that the Banco do Estado do Pará - BANPARÁ, as a State bank, is qualified to make and operate credit lines and operations, and is closely linked to the planning of Pará's public policies.

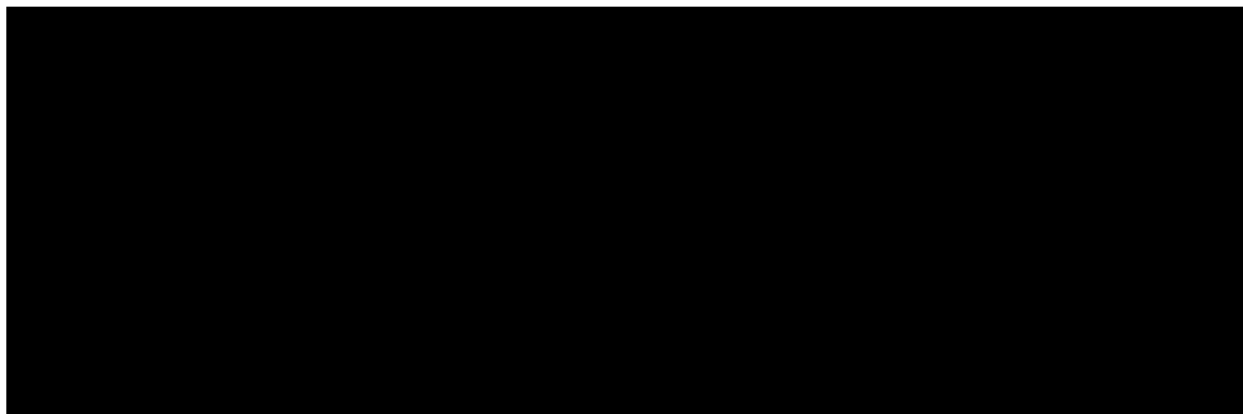
Within the compliance deadline for implementing the actions for ART-TREES adherence and for reducing deforestation at LEAF eligibility levels, the State hereby commits to adopt all measures and diligence compatible with the criteria required by the Green Climate Fund (GCF) and Global Environment Facility (GEF) for accreditation of the Financial Intermediaries, FAO and Banpará, so that both obtain the high level of conformity, compliance, legal security and transparency. In exceptional cases, other entities may be included as Financial Intermediaries.

Furthermore, the inclusion of FAO and Banpará as Financial Intermediaries in this LEAF submission process represents an effective opportunity to strengthen the structuring instruments for implementing the REDD+ Jurisdictional System, and will also enable the improvement of management processes, allowing managers to excel in procedures and administrative, financial and technical subsidies for decision making, whether for operational, commercial and investment activities in the carbon market (voluntary or regulated) or other environmental assets; or for fiscal, tax and other management decisions.

15. Contacts and Implementation Arrangements

Please describe the key jurisdictional contacts and government entities managing the jurisdictional program and indicate preferences for how subsequent correspondence with your jurisdictions should be handled.

Secretariat of Environment and Sustainability of the State of Pará



Banpará



Conteúdo preliminar a ser atualizado