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# Following the Money: Financing Bioeconomy in Brazil

Joana Chiavari

September 2024

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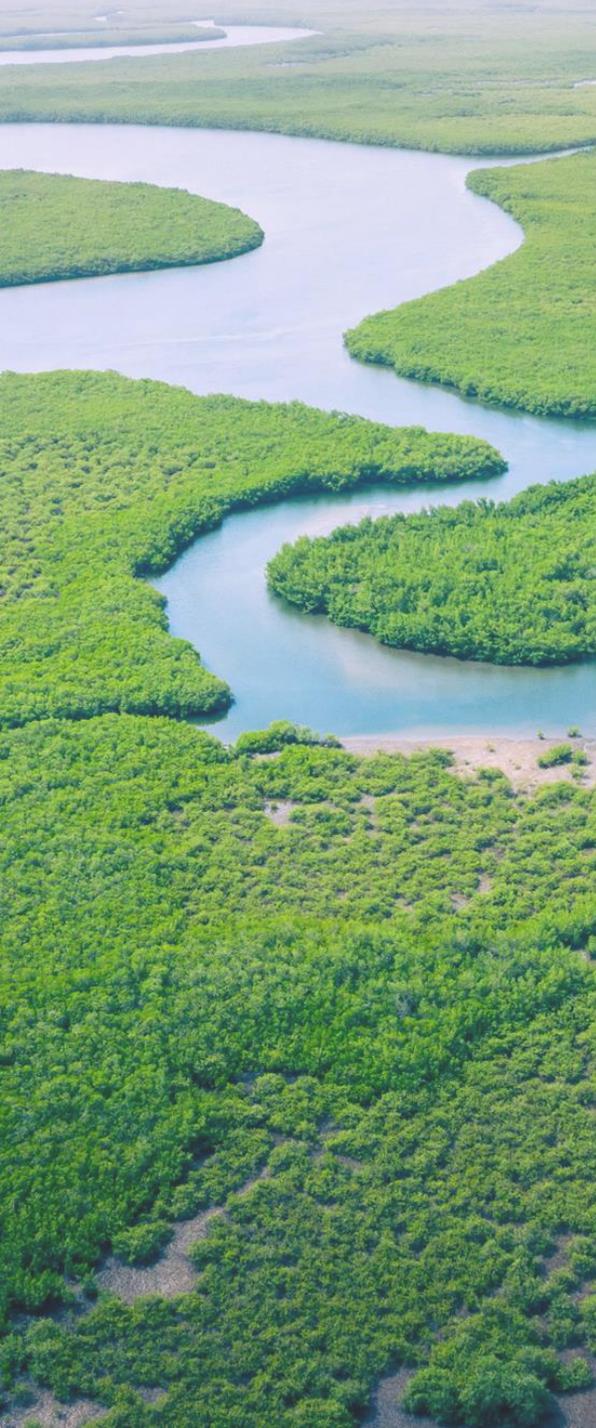
## Following the Money: Financing Bioeconomy in Brazil

Maps and quantifies the financial flows already disbursed for **bioeconomy** in Brazil between 2021 and 2023.

- **How much** is flowing?
- What are the **sources** of funding?
- What are the **main financial instruments** available?
- Which bioeconomy **sectors** are being funded?

An aerial photograph of a dense forest with a large tree in the center. The text "Methodological approach" is overlaid in white, underlined, and centered horizontally.

# Methodological approach



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## Bioeconomy was considered in a broader sense

**Production model based on the use of biological and renewable resources for the production of food, energy, inputs, materials and other goods and services.**

Bioeconomy encompasses several sectors, including:

- crops
- planted forests
- forest products
- biotechnology
- bioproducts
- bioenergy and biofuels

# Starting Point



## Landscape of Climate Finance for Land Use in Brazil

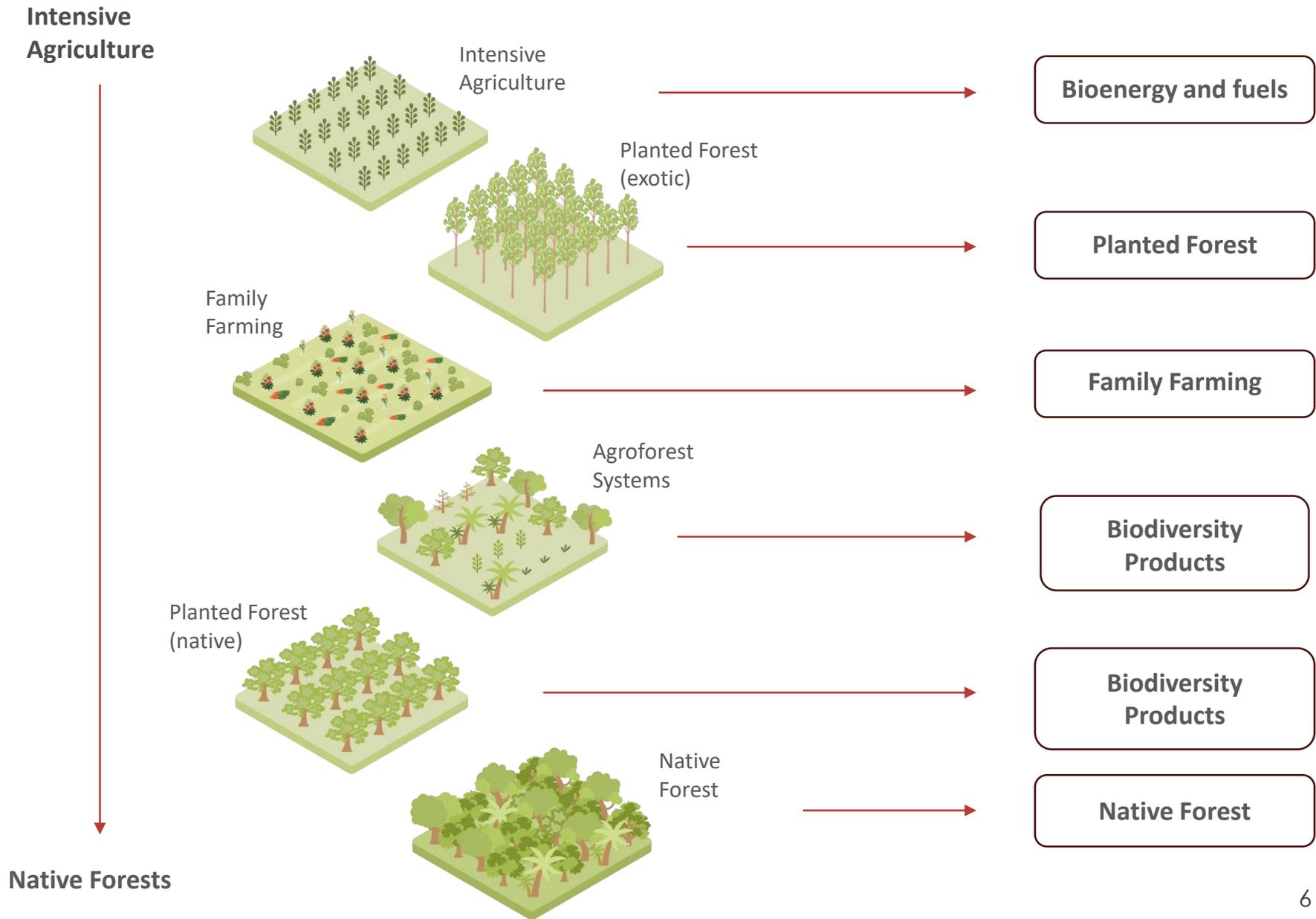
September 2023



## Bioeconomy in the Amazon Conceptual, Regulatory and Institutional Analysis

AMAZÔNIA  
2030  
NOVEMBER 2022

# Land Use and Bioeconomy



Source: CPI/PUC-RIO, 2024

# Regulatory and Institutional Framework of Bioeconomy in Brazil

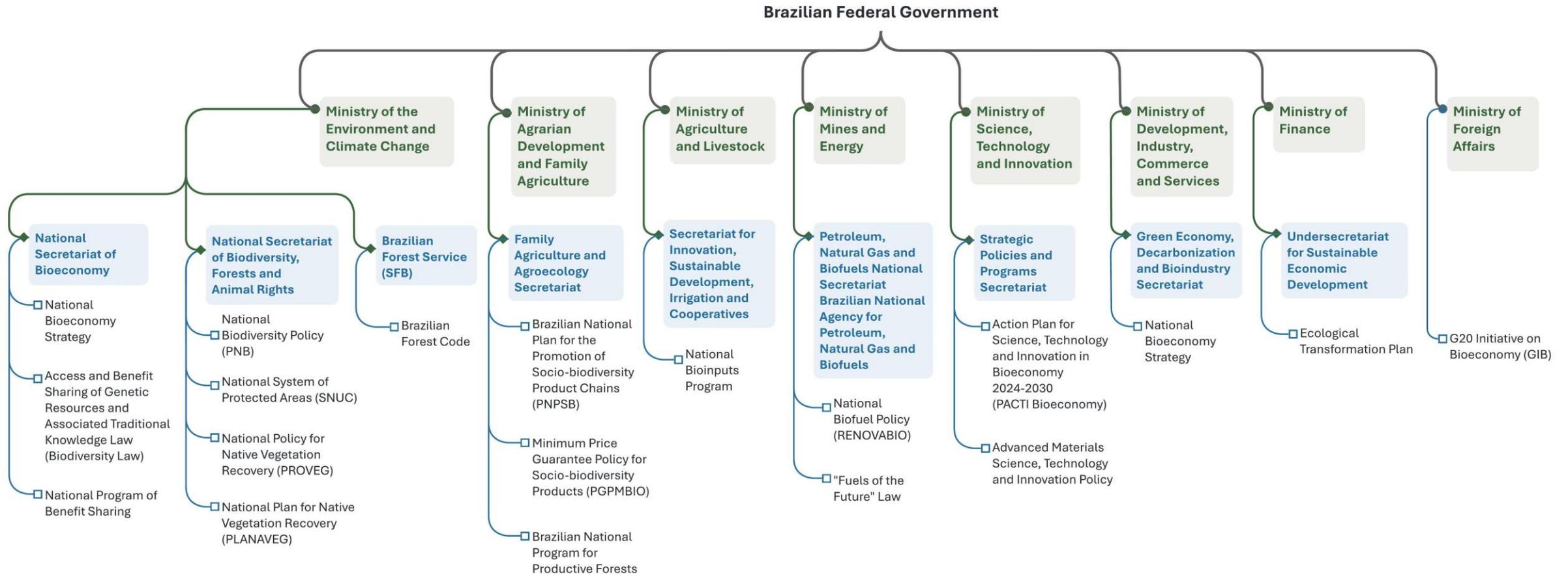
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# Regulatory Framework



\* ZAE Cana was revoked in 2019, but a preliminary injunction in 2020 forces brazilian government to comply with it.

# Institutional Framework

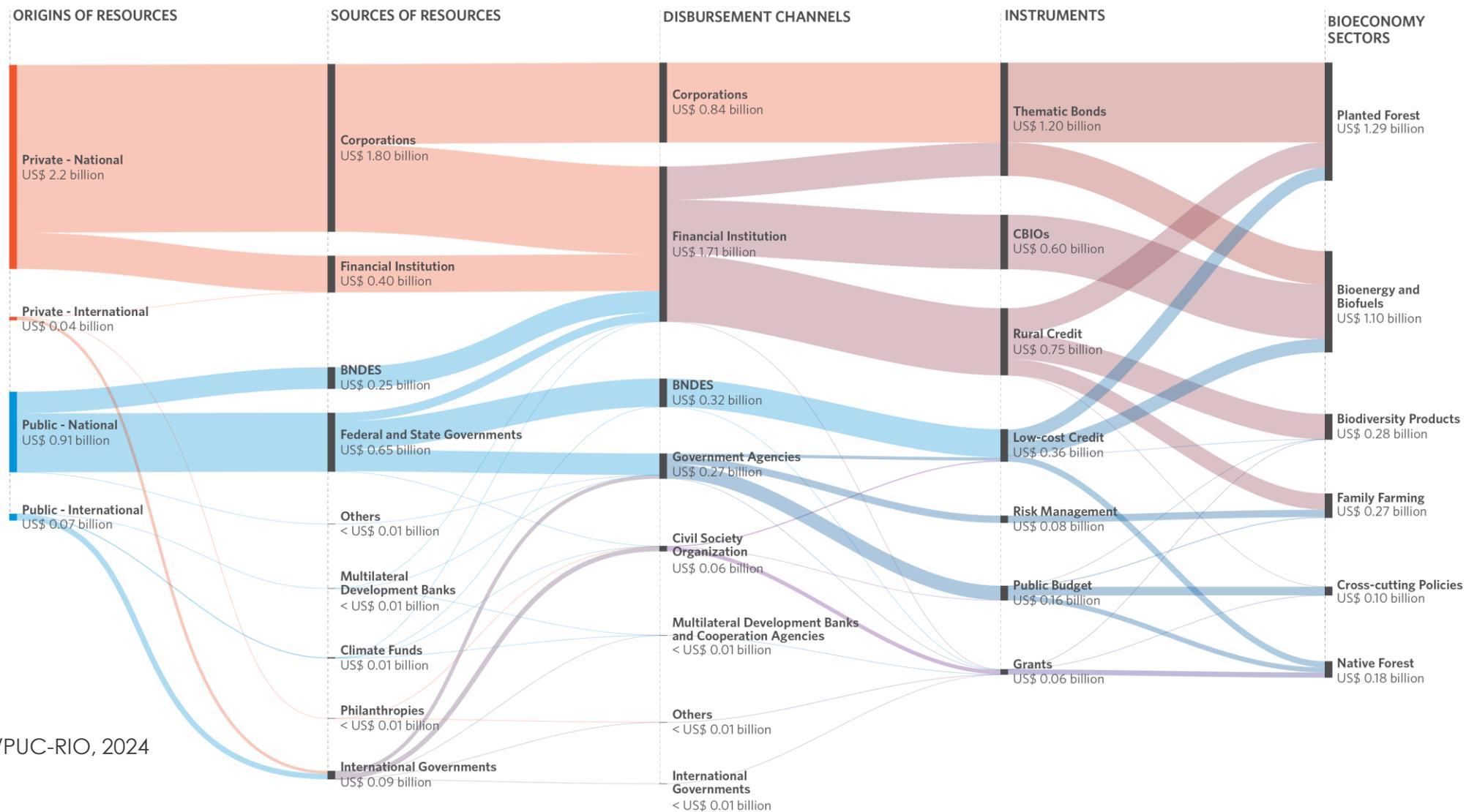


# Key findings

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# Climate Finance Flows for Bioeconomy in Brazil, 2021-2023

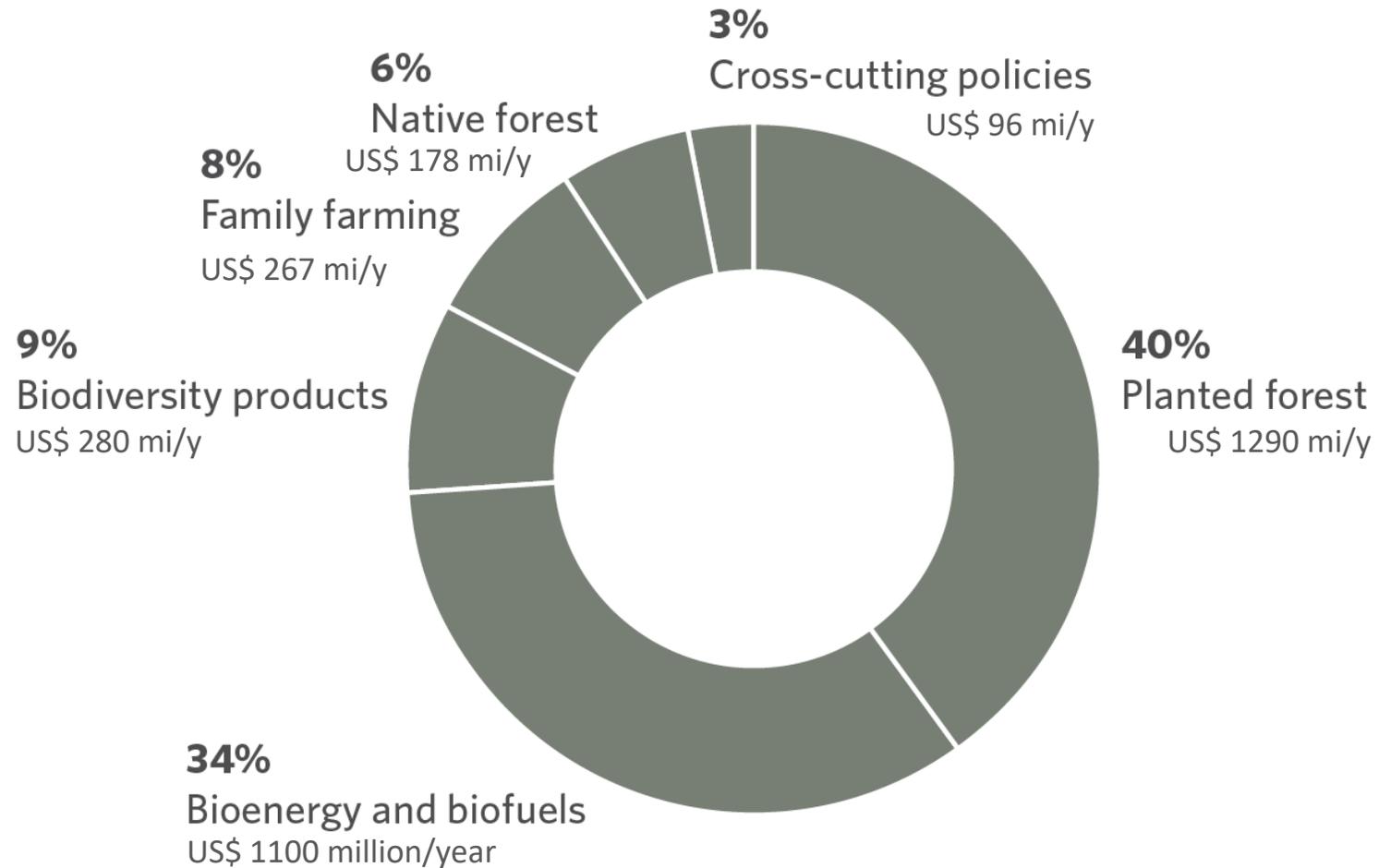
Annual Average US\$ 3.22 Billion



Source: CPI/PUC-RIO, 2024

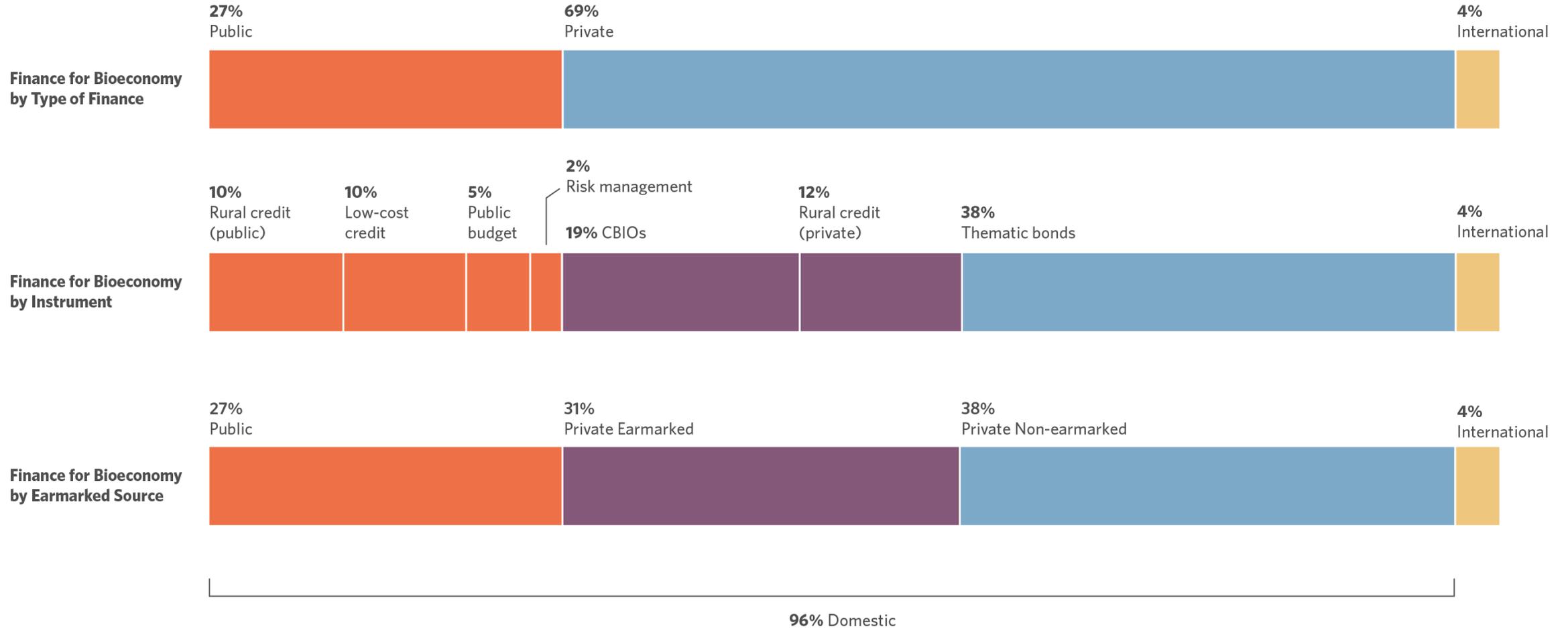
## Finance Flows

*Three quarters of finance flows to the planted forest and bioenergy and biofuels sectors, but Brazil faces challenges in promoting a bioeconomy based on biodiversity products.*



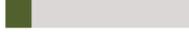
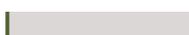
Source: CPI/PUC-RIO, 2024

# Sources of Funds



Source: CPI/PUC-RIO, 2024

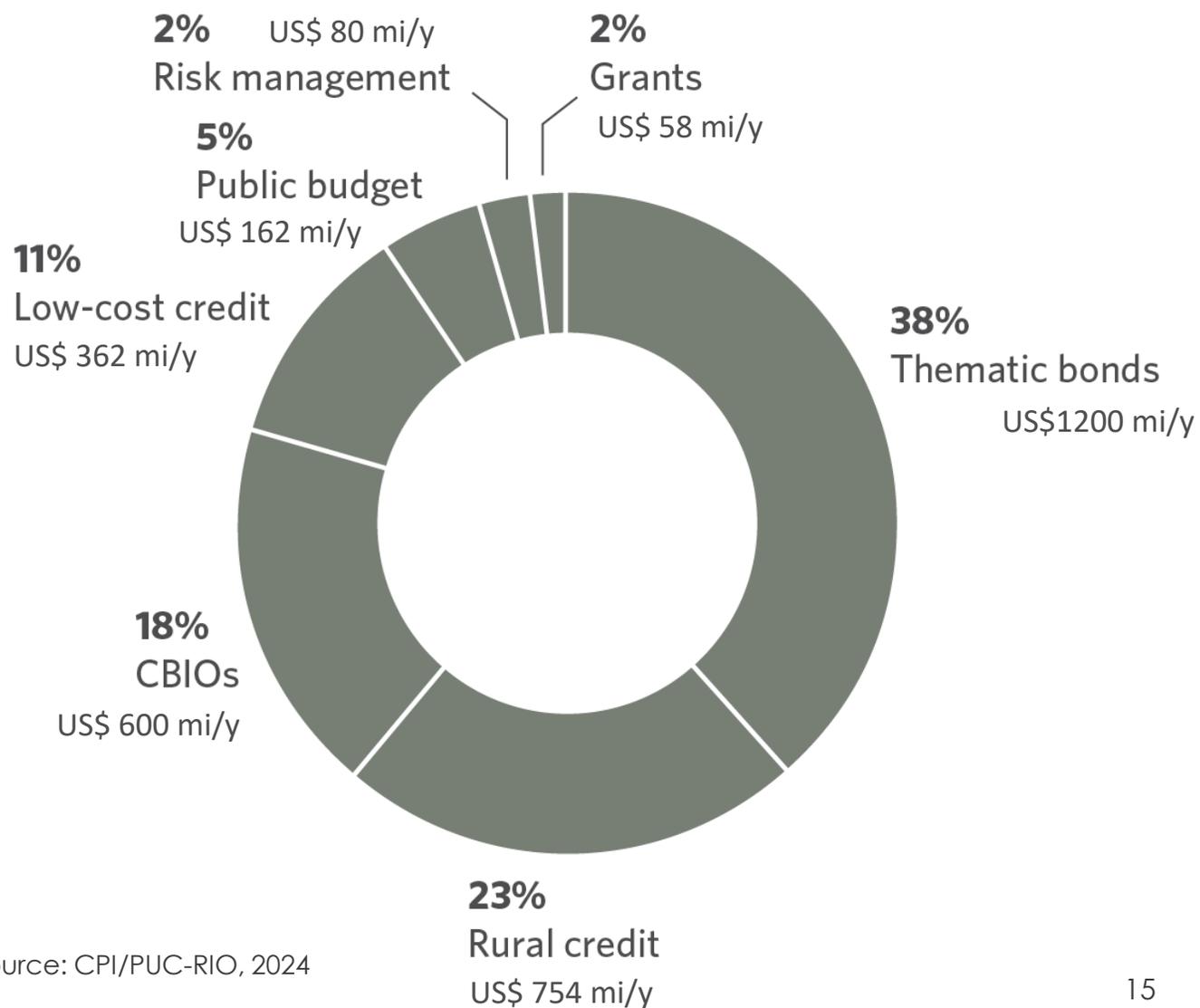
# International Funding

	US\$ Mi 21-23 (Average)	%	# Fundings	US\$ Mi Avg./ Funding	Low-cost credit	Grants
<b>Germany (+KFW &amp; GIZ)</b>	R\$ 46	44% 	22	R\$ 6.3	85%	15%
<b>Norway</b>	R\$ 35	33% 	68	R\$ 1.6	0%	100%
<b>International Funds</b>	R\$ 15	14% 	7	R\$ 6.3	30%	70%
<b>Amazon Fund</b>	R\$ 4	4% 	3	R\$ 3.9	0%	100%
<b>Other countries</b>	R\$ 3	3% 	68	R\$ 0.1	0%	100%
<b>Civil Society</b>	R\$ 3	2% 	12	R\$ 0.6	0%	100%
<b>IDB</b>	R\$ 0	0% 	2	R\$ 0.5	0%	100%

**International funding concentrates on Native Forest flows, including restoration and deforestation combat initiatives, and support to indigenous communities.**

## Financial Instruments

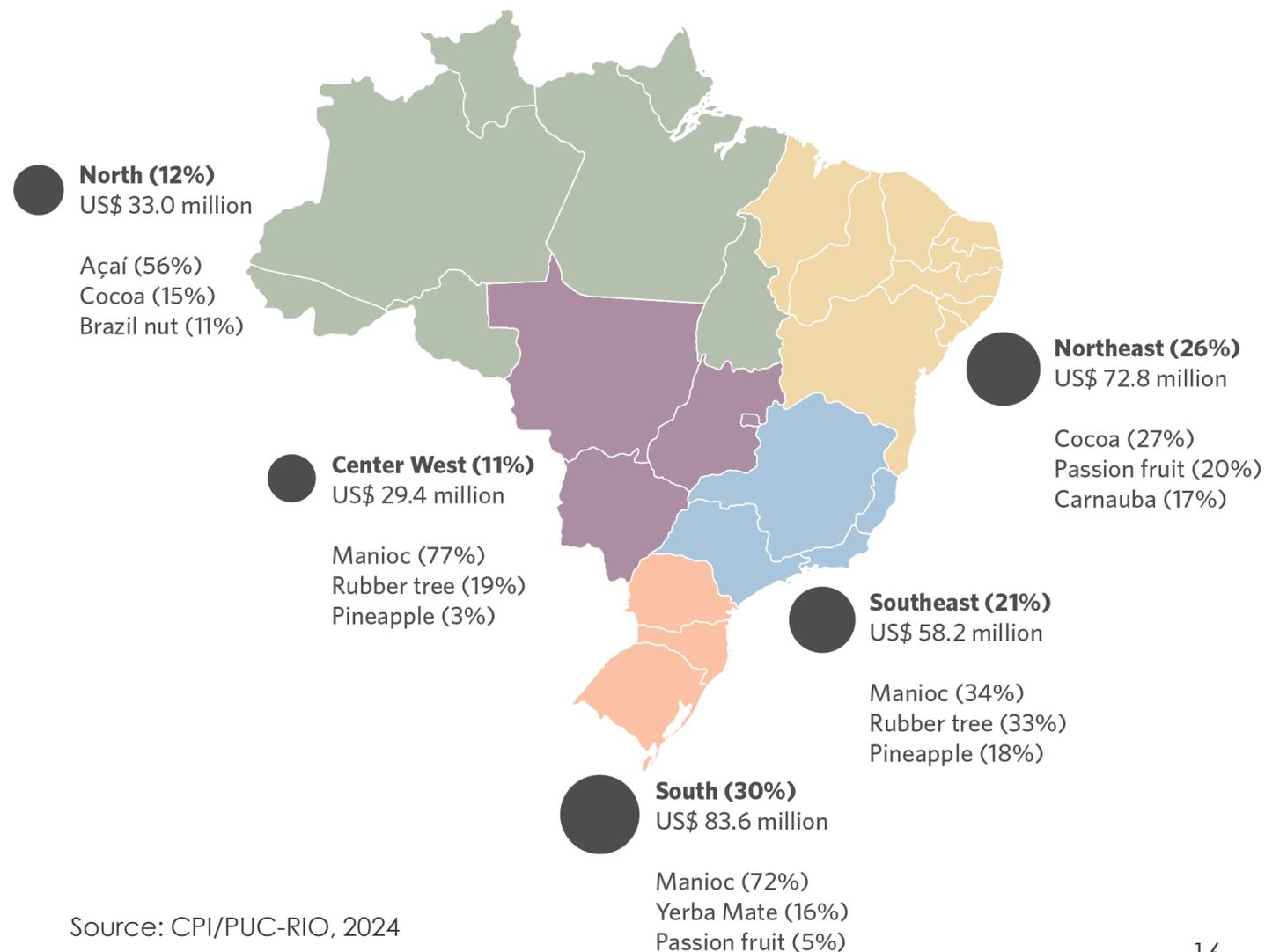
*Innovative instruments, such as thematic bonds and CBIOs, accounted for 56% of finance for bioeconomy, but were used exclusively for the planted forest and bioenergy and biofuels sectors*



Source: CPI/PUC-RIO, 2024

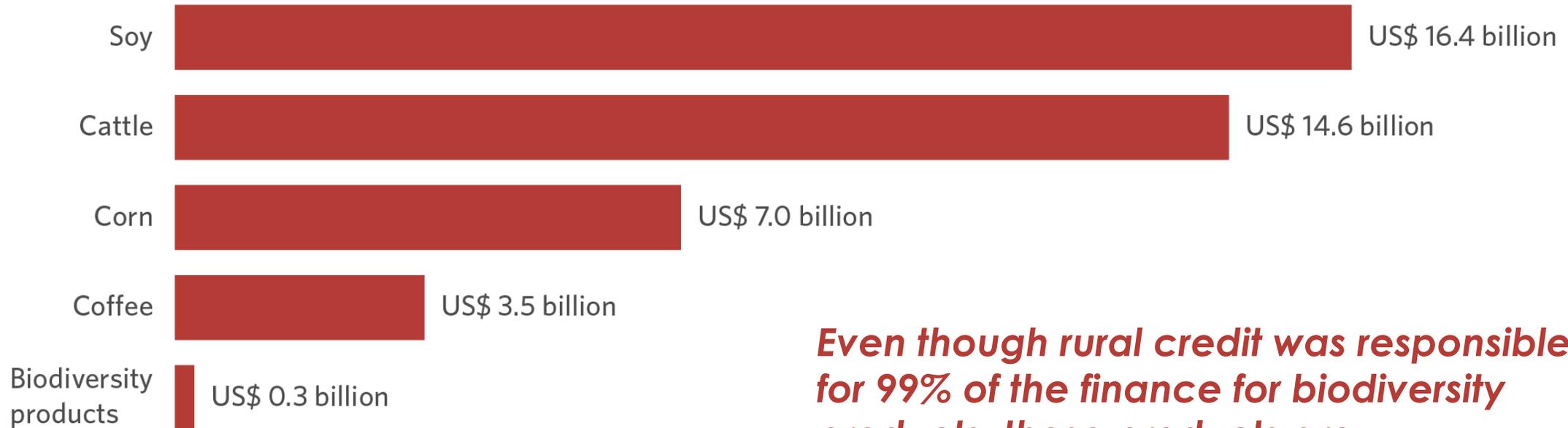
# Rural Credit and Biodiversity Products

*Manioc, cocoa, rubber tree and açai received 68% of the national funding for biodiversity products*



Source: CPI/PUC-RIO, 2024

## Rural Credit and Biodiversity Products



***Even though rural credit was responsible for 99% of the finance for biodiversity products, these products are underfinanced. Finance for biodiversity products via rural credit came to only 2% of the amount channeled to soy between 2021 and 2023.***



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