



# AMAZON BIOECONOMY AND FORESTS MANAGEMENT

Multi-Donor Trust Fund (AMDTF)





Inter-American Development Bank  
 1300 New York Avenue, N.W.  
 Washington, D.C. 20577  
[www.iadb.org](http://www.iadb.org)

Copyright © 2023 Inter-American Development Bank ("IDB"). This work is subject to a Creative Commons license CC BY 3.0 IGO (<https://creativecommons.org/licenses/by/3.0/igo/legalcode>). The terms and conditions indicated in the URL link must be met and the respective recognition must be granted to the IDB.

Further to section 8 of the above license, any mediation relating to disputes arising under such license shall be conducted in accordance with the WIPO Mediation Rules. Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the United Nations Commission on International Trade Law (UNCITRAL) rules. The use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this license.

Note that the URL link includes terms and conditions that are an integral part of this license.

The opinions expressed in this work are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.



# Introducing the AMDTF

The **Amazon Bioeconomy and Forests Management Multi-Donor Trust Fund (AMDTF)** primary purpose is to assist Amazon countries in reducing pressure on forest ecosystems by improving environmental governance and fostering sustainable economic alternatives. The fund was created in 2021 as one of the primary sources of donor funding for the IDB's Amazon Initiative and will support the goal of the recently announced [Amazonia Forever Program](#).



## AMDTF DONORS AND PARTNERS



Federal Ministry  
 for Economic Cooperation  
 and Development



Ministry of Foreign Affairs of the  
 Netherlands



Schweizerische Eidgenossenschaft  
 Confédération suisse  
 Confederazione Svizzera  
 Confederaziun svizra



Department for  
 Energy Security  
 & Net Zero



# Why the Amazon Region

The Amazon region is critical for the well-being of the planet.

- The Amazon is the **largest tropical rainforest on the planet** and contains nearly a third of all the tropical rainforests left on Earth. **It occupies 40% of South America**. If the Amazon were a country, it would be the sixth largest in the world, with 8.3 million km<sup>2</sup>.
- **30M people live in the Amazon region**, 3 million indigenous people, and more than 5 million Afro-descendants. Around 2,4 million of km<sup>2</sup> of Indigenous Territories in the Amazon basin cover approximately 27% of the region.
- 123 billion metric tons of carbon are stored in the Amazon. **It is one of the largest terrestrial carbon sinks on Earth** and helps mitigate the impacts of climate change.
- The Amazon forest produces about half of its rainfall, contributing rainfall as far as southern Argentina, supporting agricultural production. As much as **70% of the South American continent's Gross Domestic Product (GDP)** is produced in areas that receive water from the Amazon forest.

There is growing scientific consensus that the Amazon basin is reaching an **ecological tipping point** in which the rainforest will lose its ability to sustain itself, and **we will lose a crucial climate regulator** and experience the most severe impacts of a global climate crisis.

Moreover, around **40% of Amazonians live below the global poverty line**. Current economic development is based on models and technologies not adapted to the Amazon region's context.





# Geographical area

The AMDTF's resources may be used to finance projects in Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela. All Fund operations must be either:

The AMDTF's central focus is on the Amazon lowland rainforest biome

- (a) carried out in the Pan Amazon\* of the eligible countries of the Fund; or
- (b) directly benefit the communities and ecosystems in the Pan Amazon region



\* As defined by the Amazonian Network of Georeferenced Socio-Environmental Information (RAISG). RAISG is a consortium of civil society organizations from the Amazon countries, supported by international partners concerned with the socio-environmental sustainability of Amazonia. The map of the Pan Amazon is available at <https://www3.socioambiental.org/geo/RAISGMapaOnline/>.

\* The green line delineates the Amazon region that is applicable to the AMDTF.



# Our objectives

→ Assisting Amazonian countries in reducing pressure on forest ecosystems by improving environmental governance and fostering sustainable economic alternatives based on the bioeconomy's different areas, thereby contributing to reducing greenhouse gas (GHG) emissions from the land-use sector.

→ Supporting small- and medium-scale land users, particularly Indigenous people, and other local communities, to sustainably conserve and use the forests and forest landscapes by promoting the bioeconomy (including sustainable forest management) and protecting and restoring forest areas.

→ Developing normative frameworks and scaling up economic solutions with the public sector, private sector, and civil society actors to significantly reduce deforestation and ecosystem degradation from domestic and international commodity supply chains, improving the livelihoods of small- and medium-scale farmers.

The Fund's resources may be used to finance or co-finance non-reimbursable technical cooperation operations and non-reimbursable investment operations of the IDB, IDB Invest, and IDB Lab. Proposals must be related to at least one of the three pillars action:

**1**  
**RESILIENT  
AND DIVERSE  
LANDSCAPES**

**2**  
**AMAZON-POSITIVE  
VALUE CHAINS**

**3**  
**SUSTAINABILITY IN  
COMMODITY SUPPLY  
CHAINS**





# Pillars of Action

## PILLAR I • RESILIENT AND DIVERSE LANDSCAPES

- ▶ **INTEGRATED LANDSCAPE APPROACHES AND PLANNING FRAMEWORKS** that work across sectors and ecosystems (at the landscape level) to promote resilient, diverse forested landscapes, thus strengthening planning processes, including participatory land use planning and implementation; addressing land rights, regularization, and tenure; and community-based governance models.
- ▶ **LEGISLATION, REGULATION, NATIONAL SYSTEMS, AND GUIDELINES TO SUPPORT VALUING NATURAL CAPITAL/FOREST ASSETS**, including systems for environmental-economic modeling or accounting; promoting green transport guidelines and other mechanisms to protect tropical forests and sustainable development; and other enabling and institutional-strengthening activities.
- ▶ **CLIMATE RISK, NATURAL DISASTER RISK, AND ONE HEALTH MANAGEMENT APPROACH** based on risk management, governance, and public policy assessments. This will include identifying appropriate early warning systems, nature-based solutions, and critical infrastructure.
- ▶ **STRATEGIC STRENGTHENING OF REGIONAL, NATIONAL, SUBNATIONAL, OR LOCATION-SPECIFIC MONITORING SYSTEMS THAT ACCOUNT FOR LAND USE CHANGE** (especially the conversion of forested areas) at the landscape level and effectively detect the development of unsustainable land use practices; and support the integration of monitoring systems with the relevant institutional framework (including law enforcement).
- ▶ **ENABLING POLICIES AND INCENTIVES AT THE NATIONAL OR SUBNATIONAL LEVEL**, such as enabling frameworks for ecosystem-based approaches; innovative financial instruments; management models and institutional networks that promote thriving forests; restructuring of subsidies, incentives, and fiscal practices that promote unsustainable and non-inclusive development; enabling frameworks for sustainable bioeconomic activities, including R&D+i policies; and piloting innovative solutions.
- ▶ **STRENGTHENING OF SUBNATIONAL AND NATIONAL GOVERNMENTS' CAPABILITIES TO ACCESS ADEQUATELY REDD+ RESULTS-BASED PAYMENTS FINANCE MECHANISMS** that aim to protect tropical forests and sustainable development (including, among others, access to voluntary carbon markets, emerging compliance markets, enable financial solutions to support access to those markets, and improve subnational and national capabilities and its policy and regulatory frameworks).

## PILLAR II • AMAZON-POSITIVE VALUE CHAINS

- ▶ **SUPPORT TO SMALLHOLDERS AND MEDIUM-SIZED FARMERS/FOREST OWNERS** to enhance productivity, efficiency, and cost-effectiveness within a framework of low-carbon, regenerative, and resilient agriculture while reducing negative social and environmental impacts; improve access to bioeconomic activities and value chains as well as market benefits of sustainable production, including through certification; innovative finance instruments, pilots, and demonstration projects; addressing land rights, regularization and tenure, access to tailored finance solutions, access to extension services, technical support and training with particular attention to increasing access for women, youths and Indigenous people and local communities (IPLCs); and the facilitation of access (in all its dimensions) to national, regional and international markets for smallholder production.
- ▶ **SUPPORT TO IPLCS AS STEWARDS OF FORESTS;** deeply integrating concerns about IPLC communal land rights and human rights into efforts to improve the transparency and sustainability of value chains; and provide support to IPLCs to enable their effective participation in efforts to promote sustainable landscapes and improve livelihoods.
- ▶ **SUPPORT TO BUILD A KNOWLEDGE-BASED SUSTAINABLE AND INCLUSIVE BIOECONOMY THAT GENERATES LOCAL BENEFITS** in a context of integrated rural development planning, rigorous evaluation of sustainability criteria, benefits sharing and substantial participation by women, youth, and IPLCs; support the science, research, traditional and indigenous knowledge, and innovation required to promote rigorous, sustainable bioeconomic activities; based on, among others, sustainably sourced products, byproducts, and other residual biomass from agricultural or forestry operations; support scaling up innovative pilot/demonstration projects that have proven successful and suitable for the local context; strengthening and consolidating the business case for "Amazon-positive" investing in the bioeconomy; and strengthening of enabling conditions for the sustainable and inclusive bioeconomy, including relevant policies, capacity building, institutional strengthening, financial structuring and monitoring of direct and indirect effects, with particular attention paid to strengthen these conditions in ways that favor the inclusion of women, youth, and IPLCs.



► **REVITALIZATION OF DEGRADED LANDSCAPES** based on forested landscape restoration (FLR) and similar land management strategies – intelligently combine (assisted) natural regeneration and commercially feasible reforestation.

► **REVITALIZATION OF DEGRADED WATERBODIES** within a management approach that considers the linkages between healthy forests, the quality and quantity of available freshwater, and the health and productivity of waterbodies within the Amazon biome, with priority in areas where the health of forests and waterbodies is closely interdependent.

### PILLAR III • SUSTAINABILITY IN COMMODITY SUPPLY CHAINS

► **INCENTIVES FOR SUSTAINABLE AND DEFORESTATION-FREE SUPPLY CHAINS**, including new partnerships, policies, financing models, traceability systems, technical support to proactive stakeholders, and strategies for promoting sustainability premiums, such as preferential access to export markets.

► **SUPPORT VALUE CHAIN ACTORS IN DEVELOPING SUSTAINABILITY CRITERIA** and respective monitoring systems, including, for example, sourcing strategies, waste monitoring and validation of reuse options, circular production methodologies and technologies, and localized market development.

► **STRENGTHEN TIMBER SUPPLY CHAINS, INCLUDING TECHNOLOGICAL OPTIONS FOR INCREASING SUSTAINABILITY, TRACEABILITY, AND ADDED VALUE THROUGH QUALITY AND/OR PRODUCTIVITY** (value-adding, improve technology to increase quality and productivity).





# Targets and limits

→ A minimum of **25%** of the Fund's total resources will be allocated to Fund operations directed to **Indigenous Peoples and Afro-Descendent Communities as direct beneficiaries and partners**

→ The amount requested for individual operations must be within the following range:

## TECHNICAL COOPERATION

A **minimum of USD 150K** and a **maximum of USD 1.5M**

## INVESTMENT GRANTS

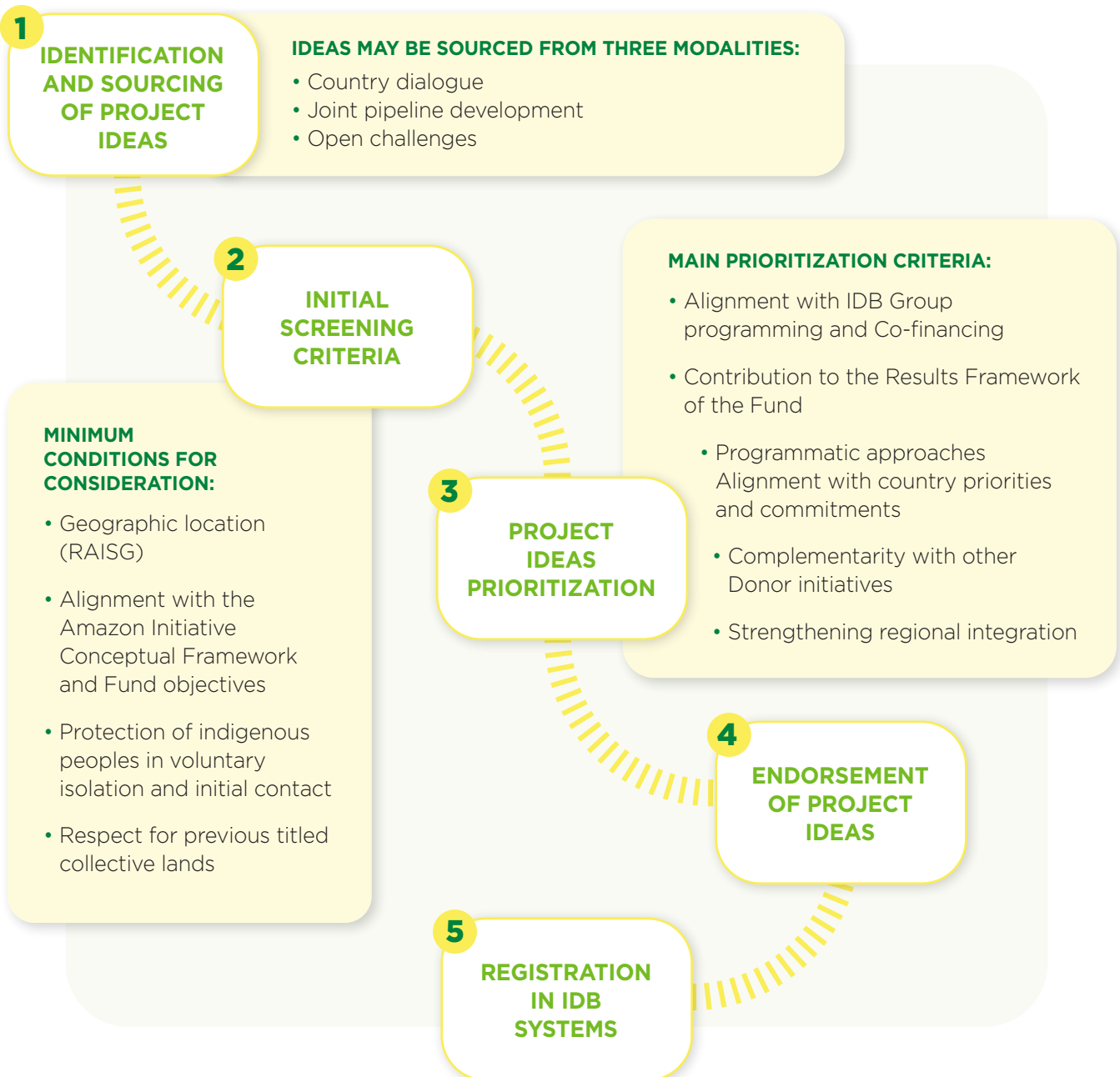
A **minimum of USD 250K** and a **maximum of USD 5M**

At the portfolio level, the allocation of funding per instrument will be balanced - aiming at **50% for technical cooperation** and **50% for investments grant**





# AMDTF Project Cycle





# AMDTF Portfolio (as of July 2023)

## INDII FUND – INDIGENOUS FUND CAPITALIZED BY NATURAL CAPITAL TOKEN IN THE COLOMBIAN AMAZON

Total Amount: **US\$306,000**  
 AMDTF Approved Amount: **US\$160,000**  
 IDB Co-Funding: **US\$114,000**  
 Local Counterpart Funding: **US\$32,000**

The proposed solution is the implementation of a prototype for the tokenization of natural capital in the Colombian Amazon. The INDII token is a non-fungible token whose initial value is based on the valuation of the natural capital of a hectare of Amazonian Forest present in the indigenous reserves. Through marketing campaigns, the public will be encouraged to buy INDII tokens linked to improving the living conditions of the indigenous communities and conserving or restoring the ecosystems of the Amazon biome. The purchase of these tokens will allow the public to make traceable financial contributions to projects developed by the communities.

This model seeks to attract investors who have yet to learn of these new digital elements but to contribute to the sustainability of the Amazon region, as well as an entire digital community linked to the world of crypto assets. It is essential to clarify that the purchase of the token does not imply any transfer of ownership of the Amazonian land; it only represents the valuation of the environmental services that natural capital offers to the environment. Instead, this tokenization process can be considered an innovative step in recognizing the ownership of the indigenous communities of these territories.

### EXPECTED IMPACT:

- **100,000 tokens** are estimated to benefit a territory spanning over **10 million hectares**.
- Each token will initially have a flat nominal value of USD 300, potentially **raising USD 30 million** during the first crowdfunding campaign.

## SUSTAME: CATALYZING CHANGE FOR THE DEVELOPMENT OF A VALUE CHAIN FOR SUSTAINABLE TIMBER IN SURINAME

Total Amount: **US\$1,662,000**  
 AMDTF Approved Amount: **US\$750,000**  
 IDB Co-Funding: **US\$750,000**  
 Local Counterpart Funding: **US\$162,000**

The key objective of this intervention is to enhance the capacity of private sector actors in the local forestry sector (including indigenous and maroon communities) to address the environmental, economic, and social sustainability challenges of the forestry sector in Suriname.

This project will develop a model to catalyze a market-based approach to sustainable timber extraction and processing that will generate the economic gains of transitioning from extraction and export of raw timber to sustainable harvesting and wood processing for more discriminating and higher value markets with the broad participation of stakeholders, including indigenous and tribal communities.

### EXPECTED IMPACTS:

- At least **20 actors** in the private sector have adopted sustainable practices or technologies through the project.
- At least **75%** of the population from selected Indigenous and Maroon communities of Bigi Poika and Matawai are engaged in pilot activities.
- **60,000** ha of newly suitable harvest forest areas within the two pilot communities are placed under sustainable management.
- A financial mechanism dedicated to the transition to sustainable wood extraction and processing is implemented and capitalized by the private sector, with at least **USD 350,000** accessible to firms and communities.



### ALIADOS: AN INNOVATION-INVESTMENT HUB FOR REGENERATIVE BIOECONOMY IN ECUADOR'S AMAZON

Total Amount: **US\$1,245,000**  
 AMDTF Approved Amount: **US\$300,000**  
 IDB Co-Funding: **US\$300,000**  
 Local Counterpart Funding: **US\$645,000**

This project aims to create a finance and innovation hub to effectively support indigenous communities to improve livelihoods and conserve the Ecuadorian Amazon through regenerative agriculture and bioeconomy enterprises.

Therefore, this intervention will (i) establish a Pilot Innovation-Investment hub for the Amazon region that increases farmers' income from regenerative agriculture and improved access to responsible markets and (ii) create the conditions to scale the hub's impact at the regional level.

The project's direct beneficiaries are Kichwa Indigenous communities and farmers in the Upper Napo watershed at the crossroads of four National Parks in the Andean-Amazon region, composed of 150,000 hectares of mega-diverse rainforest. This area presents poverty rates of around 60 percent, with minimal local employment opportunities. On a second level, this project will support bioeconomy venture creation and growth through existing community enterprises.

#### EXPECTED IMPACTS:

- At least a **20% increase in the average monthly income per capita of indigenous beneficiaries** in the Upper Napo Watershed
- **47,250 tons of CO<sub>2</sub> sequestered** (17.5 tons annually per hectare of restored forest)
- **150,000 hectares of forest under improved management and conservation**, derived from the increased earnings for farmers and strengthened bioeconomy ventures that measure and are paid for environmental impacts.
- A **50%** average increase in farm productivity.
- **2,000 farmers** trained in regenerative agriculture.
- **50%** of farmers trained are **women**.
- At least **five** viable **bioeconomy businesses incubated**.
- **2,000 hectares of farmland restored** with high productivity and ecologically diverse regenerative agriculture.
- Indirectly strengthen the management and conservation of **150,000 hectares of tropical rainforest** in the Sumaco-Galeras Biosphere Reserve.

### INCUBATOR OF INDIGENOUS BIOECONOMY COMPANIES FOR THE AMAZON REGION

Total Amount: **US\$1,767,000**  
 AMDTF Approved Amount: **US\$1,000,000**  
 IDB Co-Funding: **US\$385,000**  
 Local Counterpart Funding: **US\$382,000**

This project aims to improve the income of Ecuador, Colombia, and Peru's indigenous population by promoting a participatory incubation model in indigenous bio-businesses. The project also seeks to strengthen the capacities of the four indigenous federations involved to increase their technical capacity about the indigenous economy and to play a more significant role in its promotion and development throughout the region. The project will also support indigenous companies to formalize their forest-friendly business activities and integrate sustainable value chains.

#### EXPECTED IMPACTS:

- **15 selected indigenous enterprises will receive a financing and technical assistance** package to strengthen their business capabilities and enhance their social and environmental impact.
- A vital gender component will boost Indigenous women's participation in decision-making. **50% of the members of the indigenous economy committees will be women**.
- **Advise the 15 indigenous enterprises** on gender issues to strengthen their internal diversity and inclusion policies.
- The executing agency, NESST, will document the participatory governance model for replication in other initiatives that seek to give Indigenous organizations more of a leading role in co-designing and managing bioeconomy programs, such as the Small Grants Program the IDB manages with resources from the GCF Amazon Bioeconomy Fund.

**STATE GOVERNMENT OF PARÁ:  
STRUCTURING THE PAYMENT FOR  
ENVIRONMENTAL SERVICES PROGRAM  
UNDER THE AMAZÔNIA AGORA PLAN**

Total Amount: **US\$ 500,000**  
AMDTF Approved Amount: **US\$ 150,000**  
IDB Co-Funding: **US\$ 350,000**

This project is structuring a new model of innovative financing to deliver emissions reductions and avoided-deforestation objectives of the Amazonia Agora State Plan by developing a PES program through a payment-for-results transaction mechanism under the Sustainable Territories Platform. The project expects to accelerate the methodological framework development for implementing the PES program under the Amazonia Agora Plan. The PES mechanism includes ecosystem, climatic, and regulatory services to be delivered through a payment-for-results transactional mechanism and other targets established in state public policy.

**EXPECTED IMPACTS:**

- Over **100 farmers identified** for PES Pilot Phase 1.
- Over **eight stakeholders engaged** in the PES Pilot Phase 1.
- Near **600 hectares identified for restoration** at the property level.
- Over **20 farmers have been interviewed**.
- PES methodology contemplating opportunity cost at the municipality level.
- PES value proposition as a mix of monetary, inputs, and services incentives.







## DONORS AND PARTNERS



Federal Ministry  
for Economic Cooperation  
and Development



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra



Ministry of Foreign Affairs of the  
Netherlands



Department for  
Energy Security  
& Net Zero

## CONTACT US

To learn more about the **Amazon Bioeconomy and Forests Management Multi-Donor Trust Fund**, please visit the following links:

[Amazonia Forever website](#)

[AMDTF creation approval](#)

[AMDTF Operating Manual](#)

For inquiries, please get in touch with the IDB's Amazon Coordination Unit at [amazoniaforever@iadb.org](mailto:amazoniaforever@iadb.org)

For information about potential partnership opportunities with the AMDTF, please contact the IDB's Office of Outreach and Partnerships at [partnerships@iadb.org](mailto:partnerships@iadb.org)



AMA  
ZONIA  
FOREVER

