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Brazil will not change Amazon fund without asking donors: development bank BNDES

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FILE PHOTO - A policeman observes the Amazon rainforest during an operation conducted by agents of the Brazilian Institute for the Environment and Renewable Natural Resources, or Ibama, near Novo Progresso, southeast of Para state, Brazil, November 5, 2018. REUTERS/Ricardo Moraes

BRASILIA (Reuters) - Brazil will make no changes to the governance of the billion-dollar Amazon Fund without consulting the donors Norway and Germany, the president of the fund's administrator, the Brazilian development bank BNDES, said on Friday.

The right-wing government of President Jair Bolsonaro has said it plans to change the management of the \$1.28 billion fund that was set up a decade ago to support efforts to reduce deforestation in the Amazon.

Environment Minister Ricardo Salles, a climate change skeptic, last month criticized the fund's management with allegations of irregularities in unspecified awards to non-governmental organizations and suspended all operations pending a review, suggesting money was being wasted.

But BNDES president Joaquim Levy, a former finance minister, told reporters that the governance of the fund was quite clear and that work on new awards had not been halted.

Levy dismissed any risk of the fund closing down because of the controversy and said talks continue with Norway and Germany on possible changes. A new format of the fund's steering committee that decided the awards would be decided by July, he said.

The governments of Norway and Germany said they were satisfied with the administration of the fund and its success in supporting sustainability projects in the Amazon rainforest and helping Brazil's institutions working to stop deforestation.

People familiar with the talks said unilateral changes to the fund by the government could lead the European nations to stop donations and even take back unused funds.

Environmental groups said the government was seeking to reduce the number of representatives of civil society on the steering committee, including the removal of a seat for indigenous people, and planned to use funds to compensate farmers whose lands were expropriated in protected areas.

“Brazil has the highest rate of deforestation in the world, and most of it is illegal,” said Tasso Azevedo, head of MapBiomas, an alerts platform launched on Friday that is aimed at speeding up action against illegal loggers using high resolution satellite images and automated data processing in partnership with Google Earth Engine.

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