

**THIS MEMORANDUM OF UNDERSTANDING (“MoU”)** is between the following Parties:

- (1) The Government of the State of Amazonas, hereby represented by the Environmental Secretary of the State of Amazonas, Brazil (herein after the “State of Amazonas”);
- (2) The Associação Conservação da Vida Silvestre – WCS Brasil, a Brazilian not for-profit environmental association with its head office in Manaus, State of Amazonas, Brazil (herein after “WCS Brasil”);

Each a “Party” and together referred to below as the “Parties”.

**WHEREAS:**

- a. The State of Amazonas is leading subnational efforts in Brazil to protect primary forests in the Amazon region, including through the creation of a regulatory environment conducive to the implementation of economic instruments that reward the protection of high integrity forests in the State.
- b. WCS Brasil is a Brazilian not for-profit association founded in 2004 focused on conservation efforts in the Amazon region and has as its main strategy the development of science-based and community-driven solutions that benefit natural landscapes, wildlife, and human populations.
- c. WCS Brasil has the technical capacity and expertise to tap into emerging environmental markets that can adequately value the conservation of high integrity forests, including through the monetization of assets associated with carbon absorption and biophysical cooling properties of intact forests.
- d. While the State of Amazonas has to date managed to preserve over 90% of its primary forests, deforestation rates have increased in recent years in the State and the loss of high integrity forests is expected to continue unless a more stable and continuous stream of finance is obtained to ensure protection and conservation of intact forests in the State.
- e. The Parties wish to collaborate to assess the feasibility, and if viable, then implement and develop, a High Integrity Forest Removals (“HIFOR”) Investment Initiative in the Sustainable Development Reserve of Mamirauá and the Sustainable Development Reserve of Amaná (hereinafter the “Project”).

## **IT IS AGREED AS FOLLOWS:**

### **1. Statement of Intent**

1.1. The Parties agree to make their best efforts to observe the terms of this MoU. This MoU is not a legally binding document, and the Parties agree that neither the MOU nor any other statement, oral or written, nor the making of any recommendation regarding the Project shall create any commitment by the Parties related to the Project. The Annexes form part of this MoU and will have effect as if set out in full in the body of this MoU.

### **2. Purpose of Cooperation**

2.1. The purpose of this cooperation is to assess the feasibility of the Project, and if viable, to develop and implement it.

2.2. The Parties agree to work together in good faith among them and with other stakeholders, including the local communities based in the buffer zone adjacent to the Sustainable Development Reserves of Mamiraua and Amana.

2.2. The Parties agree to engage in a cooperative manner through consultation, open communication and collaboration at a strategic and operational level to develop the Project with the ultimate objective of long-term conservation of the high integrity forests in the Sustainable Development Reserves of Mamiraua and Amana.

### **3. HIFOR Units**

3.1. In implementing the MOU, the Parties will seek to generate HIFOR Units (as defined below) for the purpose of providing ecosystem service payments to the stewards of the high integrity tropical forests of the Sustainable Development Reserves of Mamiraua and Amana.

3.2. Each HIFOR Unit corresponds to a non-compensatory tradeable environmental asset that is owned by the State of Amazonas and represents a verified net tonne of carbon removed from the atmosphere, as further described in the WCS HIFOR Primer, included as Annex I to this MoU.

3.3. The Parties will work together to define and agree – with interested international investors – on the optimal arrangement for the transaction of HIFOR Units, including but not limited to the volume of HIFOR Units, unit price, payment milestones, and term of the transaction.

### **4. Indicative timeline**

The Parties agree to pursue the following tentative timeline for the implementation of the Project:

- a. During the first quarter of 2023, finalize all the relevant technical collaboration agreements required for the development of the HIFOR Investment Initiative and which establish in detail the roles and responsibilities of each of the Parties to this MoU.
- b. During the first semester of 2023, progress with consultations with local communities located within the buffer zone adjacent to the Sustainable Development Reserves of Mamiraua and Amana on the basis of the principle of Free, Prior and Informed Consent (FPIC) and other relevant applicable laws, protocols, and safeguarding policies
- c. During the first semester of 2023, advance negotiations to complete the first transaction of HIFOR Units to be generated as a result of the Project.

## **5. Governing Law**

This MOU shall be governed by and interpreted in accordance with Brazilian Federal Laws and the relevant laws of the State of Amazonas.

## **6. Counterparts**

This MOU may be executed electronically (i.e., PDF format) and in one or more counterparts, each of which shall constitute an original document.

## **7. Entire Agreement**

This MOU, including all Annexes, constitutes the entire agreement and understanding between the Parties with respect to its subject matter. This MOU is intended as a complete and exclusive statement of the terms of their agreement and supersedes any prior or contemporaneous agreements or understandings relating to the subject matter hereof.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties have executed this MOU as of the date indicated above:

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[---name---]

Environment Secretary of the State of  
Amazonas

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[---name---]

Associação Conservação da Vida Silvestre-  
WCS - Brasil

**ANNEX I – WCS HIFOR PRIMER**

[---to add---]



# AMAZONAS

GOVERNO DO ESTADO

Processo nº 01.01.030101.005494/2022-18

Em: 10/11/2022

À SEAGA,

De ordem, para:

1. conhecimento quanto ao envio do e-mail ao Sr. Marcos Amend Diretor Técnico WCS Brasil, à fl. 33 e 37, comunicando que não há óbice quanto a sua assinatura do Memorando de Entendimento [MoU], bem como manifestação da ASSSJUR, à fl.39 a 53;
2. Ciência acerca da resposta do interessado às fls. 54 a 59, agradecendo pela celeridade do processo, e encaminhando uma versão revisada do MoU, de idêntico conteúdo, mas sem a inclusão do Instituto de Desenvolvimento Sustentável Mamirauá – IDSM, como uma das partes, já que o IDSM não é credenciado para operar iniciativas de PSA no Estado, apenas a WCS Brasil para assinatura, análise e manifestação acerca da revisão do referido MOU, e validação se podemos considera-lo para assinatura durante a reunião do dia 14, no Egito, com retorno a este gabinete até o dia de hoje [10/11], tendo em vista que o documento será assinado na COP27.

Atenciosamente,

EDIJANDRIA CARVALHO DE SOUZA  
Chefe de Gabinete - SEMA