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Sent: Thursday, July 15, 2010 11:27 AM

Subject: FAS position about WRM article - Urgente

Manaus, July 15th, 2010

Unfortunately, the article "Brazil: Juma REDD test case in the Amazon", published at the WRM monthly bulletin issue 155, presents various inaccuracies regarding both information and overall understanding of the Bolsa Floresta Program, as well as the Juma REDD Project.

Therefore, the Amazonas Sustainable Foundation (FAS) sent clarifications to WRM in order to be published at the WRM's website. We reproduce the referred clarifications below:

1. Do Families have additional costs to obtain the benefits from the "Bolsa Floresta Family" Program?

No, they do not. The families withdraw the money when they go to the nearest cities, which they often do every two months. If they wish, they can wait several months and withdraw the money which has been accumulated over the period. For example, if the family goes to the nearest city every six months, then they can withdraw the money accumulated. Thus, there is no need to the family to go to the city just to withdraw the payment of the "Bolsa Floresta" Program.

The Bolsa Floresta Program is not a welfare program. The "family" component within the Bolsa Floresta Program IS NOT MEANT to provide all needed resources to keep and improve the life of the community residents. The concept of this cash payment is that it is a reward, a short-run return to the families which have agreed on zero-deforestation commitment.

The "Bolsa Floresta Family" provides a monthly payment of BRL 50.00 to the families' mothers who live in the Protected Areas supported by the Bolsa Floresta Program and who have agreed to engage in environmental conservation and sustainable development. It is a good approach in order to engage local populations in activities to hinder deforestation.

2. Is the monthly payment of BRL 50.00 the only benefit provided by the Bolsa Floresta Program?

No, it is not. The "Bolsa Floresta Family" is just one of the four components of the whole Program. The strategy to increase locals' income is focused on the "Bolsa Floresta" Income, which invests annually about BRL 4,000 per community (about BRL 140,000 for each Protected Area per year). The Program has been established over 15 reserves (Protected Areas), and the Juma Reserve is one of them. This type of

investment has already increased the overall income within the Juma Reserve, e.g. Brazil nut production – the price was increased from BRL 4.00 to BRL 12.00 per Brazil nut's can.

Another component under the Program is the “Bolsa Floresta” Social which invests annually about BRL 4,000 per community (BRL 140,000 for each Protected Area yearly), in order to improve education, health, transportation, and communications.

Finally, the Program also has the “Bolsa Floresta” Association which provides support to local organizations, e.g. logistic (barges, solar panels, Internet, computers, and general supplies). That is a key-element to support local leaders to ensure and promote the community residents' rights.

3. Is there any support program to the Bolsa Floresta Program?

Yes, there is. The Bolsa Floresta Program is complemented by five support programs which aim at implementing structuring initiatives to the Program in order to provide permanent changes: (1) Support to sustainable production; (2) Support to health and education; (3) Surveillance and Monitoring; (4) Protected Areas Management; (5) Support for the scientific development.

The Conservation and Sustainability Center “Samuel Benchimol”, built in the Juma Reserve, for instance, was funded by a support program investment. This Center was built with resources provided by the Juma REDD Project. The Center's infrastructure includes a school, a health-care center, and accommodations for students and teachers. Thus, the school in the Juma Reserve has become a showcase for environmental education and sustainability in the Amazon.

4. Are the participants of the Bolsa Floresta Program forbidden to plant crops and to maintain their agriculture practices?

No, they are not. The participants of the “Bolsa Floresta” Program are allowed to keep their traditional agriculture practices on secondary forests as they are used to do. They have a formal commitment not to cut primary forests. The Program is investing on innovative technologies for sustainable agriculture production and also on capacity building (e.g., permaculture, which aims at diminishing the need of new deforested areas).

5. Will the conservation of such forests allow polluters to continue to emit carbon due to fossil fuel use?

No, it will not. The conception of the offsetting initiative proposed by FAS is that the major effort on emission reduction should be made by the developed countries and their industries. Our vision comprehends that offsetting must be limited to a small part (e.g., 10%) of the overall emission reduction targets of such countries and industries. Therefore, the most of part of emission reduction is on consumption patterns and improvement on production systems.

The offsetting shall be also seen as an opportunity to all economic sectors in developed countries, as the hotels' one, in order to be summed to a global effort on reducing

greenhouse gases emissions. Within that context, innovative projects, such as the Juma Project, provide opportunities to the guests of Marriott International to offset their personal carbon footprint. Moreover, Marriott International has several programs to reduce its own emissions, e.g. improvement on lighting system.

6. What do the residents of the Protected Areas think about the Bolsa Floresta Program?

These investments, according to these residents, are a new and exciting perspective to the local communities' future.

The president of the Agroextractivist Association of the Uatumã Reserve, Sebastião Salomão, states about the investments of the Bolsa Floresta Program the following: “In the Uatumã Reserve a school was built, boats were bought to help local people on emergency situation, regarding income generation we are working with netted tanks for aquaculture, and the `Bolsa Floresta` Family has improved local life quality a lot”.

The Juma Reserve President, Doracy Paes, states that “the Bolsa Floresta has many benefits, and for us it is a step toward a better future because we can have an additional income. Bolsa Floresta has brought hope of a better tomorrow not only to Juma, but for all Amazonas, because we are going to preserve and this preservation is a world legacy”.

To listen to many other testimonials, access FAS's website (www.fas-amazonas.org/), Vozes da Floresta (in Portuguese), or at the YouTube website (www.youtube.com/fasamazonas/).

7. Is the salary of the FAS's CEO over the market?

No, it is not. The value published by the WRM is nonsense and it is obviously incorrect. The salary of FAS's CEO, according to a survey by Deloitte Touche Tohmatsu, considering the major Brazilian NGOs, requested by WWF, is 5% less than the national average. In addition, the costs of FAS with human resources are also lower than the national average considering the Brazilian NGOs as well. Regarding the 2009 budget, 91% was collected from private partners and only 9.3% from the Amazonas State government. The public investment are fully destined to the “Bolsa Floresta” Family – one of the programs performed by FAS.

8. About FAS.

FAS is a privately run, non-governmental, non-profit institution without political ties. The Foundation was created on December 20th, 2007 through a partnership between the Government of the State of Amazonas and Bradesco bank. Its statute / internal rule was previously approved by the State Attorney's Office. In February 2009, Coca-Cola Company in Brazil also became a partner. Its mission is to promote, through the valorization of environmental services and products, the sustainable involvement, the environmental conservation and the improvement of life quality of the communities dwelling in Protected Areas in the State of Amazonas, which all together represent more than 16 million hectares. FAS's priority is to implement the “Bolsa Floresta” Program, which is the first internationally certified Project in Brazil that rewards the local

populations by maintaining the environmental services rendered by the forests. For more information, please visit our website: www.fas-amazonas.org/.

FAS has as institutional culture to seek for excellence on efficiency, ethics, and transparency on financial resource management. All financial statements are audited by PricewaterhouseCoopers, one of the most respect consultants in the world. All auditing reports, after being analyzed by FAS's Fiscal Board, are submitted to FAS's Administration Board followed by the legal verification performed by the State Attorney's Office. Such severity reflects FAS's vision about the goal to be both a national and an international reference on transparency and high-quality management of resources aimed at socio-environmental programs within tropical regions.

It is also important to remind that the Juma Reserve and its Bolsa Floresta Program were already visited by 16 Brazilian journalists and other 15 foreign journalists. ALL journalists have published positive news and papers – except one. And this only one, for unknown reason, had received mistaken information, had misunderstood the Juma REDD Project and also the Bolsa Floresta Program, which has come up an article based on wrong presuppositions. And, as aforementioned, all these misinformation were fully corrected by FAS.

Thus, we believe it is not worth to pay attention to a catchpenny article and then discredit what have been done by other 30 journalists (national and international). It would be an enormous disrespect to these 30 journalists and their newspapers and magazines. We shall also pay attention on how this article has been used by people and institutions that have political and institutional motivations against the “Bolsa Floresta” Program.

FAS is always available in order to clarify doubts and to show the facts on the “Bolsa Floresta” Program and the Juma REDD Project. To whom it may concern, besides this political vision, follows FAS contacts below:

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