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JURISDICTIONAL PROGRAMMES IN BRAZIL AT A GLANCE

<p>Noteworthy jurisdictional systems and policies</p>	<p>Six Brazilian states are engaged with ART TREES to develop subnational JREDD+ programs. Tocantins was the first state to have its TREES Document accepted by ART. Acre, Amapá, Maranhão, Mato Grosso and Pará have submitted concept notes. Many of those have advanced and are currently in different stages of development.</p> <p>Brazilian states generally have experience with REDD+ results-based payments (RBPs), particularly through the REDD Early Movers (REM) program, the Amazon Fund, and bilateral agreements (e.g., Norway, Germany, UK). Some of these states (notably Acre and Mato Grosso) developed early jurisdictional REDD+ frameworks, which have informed their current ART TREES programmes.</p> <p>Additionally, Amazonas, Roraima, and Piauí have signalled interest in developing JREDD+ programs, with Piauí beginning exploratory steps in 2025. Many of these states are also participants in the LEAF Coalition, indicating strong demand-side engagement.</p>
<p>State of implementation</p>	<p>Apart from Tocantins, all other five Brazilian states are publicly still in the concept note stage of their JREDD+ program, but some of them are actively taking steps to advance towards program registration and implementation.</p> <ul style="list-style-type: none"> • Acre has established working groups to accelerate program registration and ensure implementation of social and environmental safeguards. It also recently concluded a consultation to establish a benefit-sharing mechanism with communities. • Mato Grosso has partnered with Walmart and the Earth Innovation Institute for technical support in the registration of its program. • Pará has been engaging with multiple stakeholders in the establishment of its program. It has been developing a mechanism for obtaining Free, Prior and Informed Consent (FPIC) through a bottom-up consultation with blueprints received from community representatives. It has also been in discussions with potential investors and buyers for its credits. The state has also worked actively on the development of a robust nesting framework. • Tocantins is involved with Silvania, a flagship initiative launched by Mercuria and that is part of Race to Belém, a collaboration with the Conservation International and The Nature Conservancy, aiming at mobilising financial resources from private capital to conservation activities. It was the first state to have the TREES Document accepted by ART, on August 15th. • Most states are engaged with the LEAF Coalition at varying stages. Pará is the most advanced, having signed an Emission Reduction Purchase Agreement (ERPA) with LEAF. Amapá and Mato Grosso have signed Letters of Intent, while Maranhão has signed an MOUs. Acre, who was the first state to sign the LEAF Term Sheet, has recently left the initiative and established a 5-year agreement with the British bank Standard Chartered. • Amazonas and Roraima are also engaged with LEAF but have not yet begun formal ART TREES processes. • Piauí expressed interest in launching a subnational JREDD+ program in May 2025. While it has not selected a crediting standard, it is expected to align its crediting levels with the national REDD+ results and may develop a program aligned with ART TREES. Early stakeholder consultations are ongoing.
<p>Crediting approaches</p>	<p>Under the TREES v2.0 standard, both emission reductions and carbon removals are eligible for crediting.</p> <p>Some states, such as Amapá, may be eligible for HFLD (High Forest, Low Deforestation) crediting pathways under TREES due to their exceptionally low historic deforestation rates.</p>

	<p>Final decisions on crediting scope will likely depend on technical readiness, MRV capacity, and funding partners' preferences. Most states are expected to begin with emission reductions and phase in removals over time.</p>
<p>Actors and institutions engaged</p>	<p>The federal National Commission for REDD+ (CONAREDD+) plays a central oversight role for all subnational JREDD+ programs. As per Law 15,042/2024, CONAREDD+ shall be consulted regarding REDD+ methodologies, safeguards, and program accreditation. It also records and monitors both non-market and market-based REDD+ initiatives.</p> <p>Each State also has state-level institutions that are operationalizing the JREDD+ programs, such as:</p> <ol style="list-style-type: none"> 1. Acre's Institute of Climate Change and Regulation of Environmental Services (IMC) 2. Amapá's State Secretariat for the Environment (SEMA) 3. Maranhão's State Secretariat for Environment and Natural Resources (SEMA) 4. Mato Grosso's State Secretariat for the Environment (SEMA/MT) 5. Pará's State Secretariat for Environment and Sustainability (SEMAS) 6. Tocantins' State Secretariat for Environment and Water Resources (SEMARH) <p>The Brazilian Federal Public Prosecutor's Office (MPF) also has a role to play in safeguarding community rights in JREDD+. In May 2025, the MPF issued a 96-page guidance instructing its prosecutors to strengthen the protection of Indigenous Peoples and Local Communities (IPLCs) rights within Brazil's carbon projects, including JREDD+ programs. This role is in addition to the Ministry of Indigenous Affairs and FUNAI, both key organisations to facilitate the development of JREDD+ programs in collaboration with communities.</p>
<p>Geographic scope and jurisdictional level</p>	<p>Jurisdictional programs in Brazil have been developing at the subnational level. There is no national-level market-based REDD+ program; however, Brazil's federal law (Law 15,042/2024) enables state-level participation in market-based REDD+ and recognizes jurisdictional approaches.</p>
<p>Legal and regulatory Framework</p>	<p><u>1. Brazil's Law 15042/2024</u></p> <ul style="list-style-type: none"> • Recognises JREDD+ programs developed for market finance • Requires implementing states to obtain FPIC from communities who are part of the program • Restricts the advance sale of JREDD+ credits • Recognises the right of private projects and landowners to withdraw from a subnational JREDD+ program at any time by communicating it to CONAREDD+ • Requires communities, private owners and other stakeholders who are part of JREDD+ programs to obtain a share of program benefits <p><u>2. CONAREDD Resolution No. 01 of Aug 2025</u></p> <ul style="list-style-type: none"> • Establishes guidelines for the implementation of REDD+ jurisdictional programs, public projects, and private forest carbon credit projects on public lands and collective territories. <p>[Please note several State-level regulations and strategies also govern subnational JREDD+ programs.]</p>

<p>Funding sources and financial mechanisms</p>	<p>Brazilian jurisdictional REDD+ programs have received results-based finance from:</p> <ul style="list-style-type: none"> • The REDD Early Movers (REM) Program, funded by Germany and the UK, supporting state-level JREDD+ in Acre and Mato Grosso. • The LEAF Coalition, with several states (e.g. Pará, Amapá) progressing through agreements for jurisdictional credit purchases under ART TREES. • Bilateral cooperation, especially Norway’s NICFI, which has supported state-level REDD+ program development and stakeholder engagement.
<p>Safeguards and co-benefits</p>	<p>Safeguards and co-benefit approaches vary by state and are still under development. Important notes on this topic are:</p> <ul style="list-style-type: none"> • Most states are designing benefit-sharing mechanisms and FPIC protocols, often with community consultation (e.g. Acre, Pará). • Nationally, CONAREDD+ Resolution No. 19/2025 guidelines for safeguards implementation in jurisdictional REDD+ programs, public and private forest carbon credit projects on public lands and collective territories, covering procedures, best practices in transparency, FPIC, agreements, governance, among other aspects. • Co-benefits under discussion include biodiversity protection, IPLC inclusion, and climate resilience, though no impact assessments are yet available.
<p>Risk Mitigation and permanence mechanisms</p>	<p>Risk mitigation and permanence strategies are still under development and vary by state. Tocantins has the only accepted TREES Document so far, in which the risk of reversal considers a 15% buffer discount to the total volume of credits. Information on other programs is not yet public or operational.</p> <p>At the national level, Law 15.042/2024 and ART TREES requirements are expected to guide permanence obligations (e.g. 100-year accounting, non-reversals), but detailed methodologies and implementation plans are pending.</p>
<p>Market linkages and demand side engagement</p>	<p>Brazilian states are collaborating with the LEAF Coalition and other buyers such as Mercuria and Standard Chartered, indicating a preference for the voluntary carbon market.</p> <ul style="list-style-type: none"> • <u>Acre</u> has indicated a willingness to engage with Article 6 in accordance with terms, conditions, and legislation developed at the national level. • <u>Para</u> will "prioritize the three transaction pathways defined by the LEAF Coalition focused on the voluntary market, which does not require corresponding adjustments to Brazil's NDC." • <u>Mato Grosso</u> "does not intend to participate in transactions of TREES credits to meet NDC goals according to Article 6 of the Paris Agreement or for conformity, including CORSIA." • <u>Tocantins</u> informed that "carbon credits generated by the State under TREES will be used for voluntary purposes only and will still be accounted for within Brazil's national inventory". • Amapá, and Maranhão's concept notes mention Brazil's NDC, but their preferred usage for TREES credits is not clear. <p>However, states such as Acre remain open to future use of credits as Article 6.2 ITMOs once Brazil finalises relevant bilateral agreements. Besides LEAF, states are also engaging directly with corporates and investors seeking high-integrity forest credits.</p>

MAJOR DEVELOPMENTS

Brazil's JREDD+ landscape is dynamic, with several states advancing programs while facing challenges related to consent, nesting, and legal oversight.

Key developments

National Context and Regulatory Landscape

Brazil's Law 15042/2024, which governs the carbon market, was approved in December 2024. It addresses certain aspects of JREDD+ market mechanisms (outlined in the table above).

In May 2025, the Brazilian Federal Public Prosecutor's Office (MPF) issued detailed guidance (96 pages) to its prosecutors, emphasizing the need to strengthen the protection of Indigenous Peoples and Local Communities (IPLCs) rights within Brazil's carbon projects, including JREDD+ programs. This guidance recommends that federal prosecutors support IPLCs throughout project development by ensuring they understand their land and resource rights, guaranteeing their Free, Prior, and Informed Consent (FPIC), and overseeing contract negotiations with all stakeholders.

Legal Clarity on Upfront Financing Mechanisms

One area of emerging complexity within Brazil's jurisdictional REDD+ landscape relates to the interpretation of Law 15.042/2024, which prohibits the advance sale of JREDD+ credits. While this provision aims to ensure environmental integrity and delivery certainty, its practical implications have led to differing interpretations among federal and state authorities, legal institutions, and project developers.

This legal ambiguity has created uncertainty around the structuring of early-stage Emission Reduction Purchase Agreements (ERPAs) and other results-based finance instruments. In particular, the lack of clarity is impacting the ability of jurisdictions to access upfront financing—often critical to support early implementation, stakeholder engagement, safeguard systems, and monitoring frameworks.

Efforts are underway to clarify these provisions, as legal certainty will be essential to unlock private capital and support the long-term viability and credibility of jurisdictional programs across Brazil.

Other State Initiatives:

- **Acre:** In September 2024, ART TREES accepted Acre's concept note for a subnational JREDD+ program.
- **Tocantins:** In February 2025, Tocantins set up a Commission for Validation and Monitoring (CEVAT) to oversee the implementation of JREDD+ in the state and coordinate with CONAREDD at the national level.
- **Piauí:** In May 2025, this state announced that it is currently exploring a subnational JREDD+ program and has discussed financing options with Mercuria Energy Trading.

MARKET COMMENTARY

Brazil's jurisdictional REDD+ market is at an early yet promising stage, characterized by growing engagement from subnational states, a diverse range of financial partnerships, and emerging demand from innovative buyers. The landscape is shaped by strong political and regulatory momentum, alongside evolving market mechanisms and stakeholder dynamics. JREDD+ credits became a reality for VCM at the end of 2022, when Guyana issued over 33 million credits.

Brazilian states have garnered significant interest from leading buyers in the voluntary carbon market, most notably the LEAF Coalition and corporates like Mercuria and Standard Chartered. States' participation in ART TREES and corresponding Emission Reduction Purchase Agreements (ERPAs) reflect growing buyer confidence in jurisdictional credits from Brazil's Amazon and other biomes. The LEAF Coalition's involvement has provided an anchor of demand, with Pará being the first to finalize an ERPA, while others progress with

term sheets and letters of intent. Beyond LEAF, bilateral partners like Norway's NICFI and Germany's REM program have contributed results-based finance, underscoring the multilayered financial architecture supporting these programs.

Credits generated from Brazilian JREDD+ programs are designed primarily as voluntary market instruments aligned with ART TREES standards, focusing on emission reductions with potential future inclusion of removals. However, these credits are expected to contribute to Brazil's nationally determined contributions (NDCs).

The Brazilian JREDD+ market is poised for expansion as more states progress from concept notes to full program registration. The interplay of jurisdictional programs with national climate goals, evolving market standards, and emerging demand from sustainability-focused buyers creates a fertile environment for growth. Additionally, states are still developing critical safeguards, risk mitigation, and permanence mechanisms required by ART TREES, with no monitoring reports yet available to verify outcomes. The novelty of these jurisdictional frameworks means operational risks remain, including those related to nesting projects, benefit-sharing, and community engagement. To address these challenges, robust joint efforts between subnational authorities and multilateral international organizations are underway to provide comprehensive technical guidance and enhance regulatory certainty, aiming to safeguard investors and support market scaling. While a nesting approach is still under development in Brazil, states like Pará, with their scale, technical ambition, and early engagement, are well positioned to become global reference cases. If successful, their models could inform and benchmark the scaling of jurisdictional REDD+ implementation in other tropical forest countries.

USEFUL LINKS

[Carbon Market – Ministry of Finance](#)
[Lei 15.042/2024](#)
[Plano Clima](#)
[Brazil's Nationally Determined Contribution \(2024\)](#)
[CONAREDD+ Resolution No. 19, 2025](#)
[Race to Belém](#)

REFERENCES

[Acre TREES Concept Note](#)
[Amapá TREES Concept Note](#)
[Maranhão TREES Concept Note](#)
[Mato Grosso TREES Concept Note](#)
[Pará TREES Concept Note](#)
[Tocantins TREES Document](#)

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