

REDE DE PROTEÇÃO E CONSERVAÇÃO DA SERRA DO AMOLAR

AMOLAR NETWORK | 2017 REPORT



Rede de Proteção
e Conservação
da Serra do Amolar



INSTITUTO HOMEM
PANTANEIRO

Jaguar
Panthera onca



Yellow-rumped Cacique
Cacicus cela



Man's greatest wealth
is his incompleteness.
In this sense I'm wealthy.
Words that take me for granted – I do not take.

I can't stand being merely a man who opens doors,
who pulls valves, who watches the clock,
who buys some bread at 6 in the afternoon,
who goes outside, who sharpens pencil,
who sees the grape etc. etc.

Pardon
But I must be Others.
I think of freshening man using butterflies.

– Manoel de Barros
"Retrato Do Artista Quando Coisa"



Letter from the President

For every move in the Pantanal waters, whether flooding or lowing, there is a delight.

This delight drives us to overcome the challenges of, with few resources, watching over something so marvelous as the Pantanal and Serra do Amolar specially.

The Amolar Network proficiently fulfilled its mission, guarding the set of areas, looking after security, increasingly monitoring and getting to know its unique biodiversity.

We've dialogued with different players and institutions in defense of our territory. Knowing that we can protect and preserve biodiversity by increasing public awareness, we articulated the propagation of our actions with the press, and got an appearance on TV program *Globo Reporter* as a peak.

We navigated thousands of kilometers along Paraguai river, all around our areas observing far the rivers' headwaters and the plateau.

We share with the local community the agony of the old Taquari river, in its despair for survival.

The news about the approval of our projects in notices cheered our team up for granting the resources needed to strengthen our monitoring and redesign our web platform.

However, are we getting recognized or even noticed? Protecting biodiversity still seems far from collective consciousness. People from all over the world must realize the importance of ecosystems and the benefits from biodiversity!

Instituto Homem Pantaneiro (IHP) works towards this purpose, sure that our efforts are worth for a planet with a future. History reserves us an important chapter.

Márcia Raquel Rolon

Executive President





Rede de Proteção
e Conservação
da Serra do Amolar

Member Partners

Parque Nacional do Pantanal Matogrossense
Fundação Ecotrópica
Instituto Homem Pantaneiro
RPPN Engenheiro Eliezer Batista
Fazenda Santa Tereza
Acaia Pantanal

Supporting Partners

ICMBio – Instituto Chico Mendes MMA
2ª Companhia de Polícia Militar Ambiental
Fundação Panthera
IBAMA
Agrotools
Governo do Estado do Mato Grosso do Sul
REPAMS – Associação de Proprietários de
Reservas Particulares do Mato Grosso do Sul
CNRPPN – Confederação Nacional dos Proprietários de
Reservas Particulares do Patrimônio Natural

Investment Partners

Group of Individual Investors



AMOLAR NETWORK


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4. History
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1. Amolar Network
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MANAGEMENT

Independent Auditor's Report & Financial Statements



AMOLAR NETWORK

Foto: Haroldo Palo Jr.

1. Region

Serra do Amolar and its surroundings start at 100km from the urban part of Corumbá, state of Mato Grosso do Sul (MS) and extend through 80km to southeast-northwest direction, reaching the border with the state of Mato Grosso (MT).



AMOLAR NETWORK

2. Nature

National and international institutions have acknowledged the importance of conserving Serra do Amolar at a global level.



For its incredible biodiversity, Brazil's Ministério do Meio Ambiente ("Ministry of Environment") qualifies the region as an **"Extremely High Priority" conservation site.**



Due to its water potential, the Pantanal Matogrossense National Park – neighboring Serra do Amolar – is considered a **Wetland of International Importance** by the **Ramsar Convention** as one of the wetlands that must be preserved worldwide.

All the Pantanal site is qualified by UNESCO as a **Biosphere Reserve.**



Since 2000, the Protected Sites Complex of the Pantanal (Pantanal National Park, Acurizal Reserves, Penha, Dorochê and Rumo ao Oeste) carries the title of **World Heritage Site**, also granted by UNESCO.

Dusky-headed parakeet
Aratinga weddellii



AMOLAR NETWORK

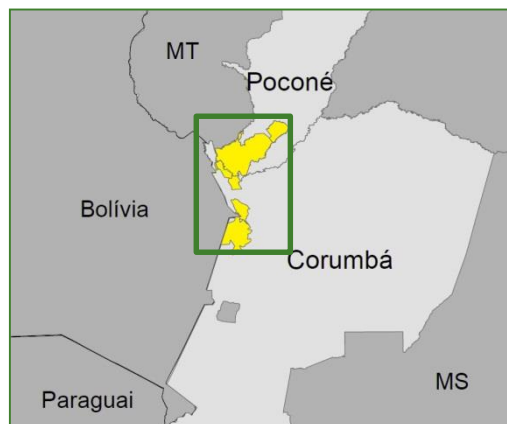
3. Socioeconomic context

The local population is comprised of around 70 families. The major part of them has an average monthly income of up to half a national minimum wage and lives in homes with two rooms only, located in federal owned lands.

Nearly 90% of riverside population is concentrated in **Barra do São Lourenço (1)** and **Paraguai-Mirim (3)** surroundings. The remaining 10% are spread in between these two communities, such as **Amolar (2)** and **Aterro do Binega (4)**.

There are three schools working in the region:

- 🏠 **Escola Municipal Rural Pólo Barra do São Lourenço**, at Barra do São Lourenço.
- 🏠 **Escola Municipal Rural Pólo Paraguai-Mirim**, at the central Paraguai-Mirim.
- └ 🏠 **Escola Municipal Rural Extensão Jatobazinho**, at the extreme south of Paraguai-Mirim.



AMOLAR NETWORK

4. History

In 2008, institutions from the private, public and non-profit sectors came together in order to jointly act on the protection of Serra do Amolar.

The efforts for preserving biodiversity require the availability of large areas where wildlife corridors can grow and house as many animal and plant species as possible.

However, the larger the area and its accessibility – which is the case of Amolar –, the greater are the investments of time, labor and financial resources needed for taking conservation and social development actions. Government and local entities alone are not able to efficiently look after the region and effectively achieve these goals.

In 2005, **MMX** (mining company from **Grupo EBX**) acquired two properties in the southwest of Pantanal Matogrossense National Park, which later became **Private Natural Heritage Reserve (RPPN) Engenheiro Eliezer Batista (EEB)**, under the management of the non-profit **Instituto Homem Pantaneiro (IHP)**.

Right to the south of this reserve lies **Fazenda Santa Tereza**, bought in that same year by Teresa Bracher, whose main purpose was to watch over the area. After getting in touch with the reality of local communities and making an assessment on the major problems, Teresa founded **Acaia Pantanal**, a non-profit dedicated to acting on the social-educational context.

Alongside these agents, there joined **Fundação Ecotrópica**, owner of **Acurizal**, **Penha, Rumo ao Oeste** and **Dorochê** northern RPPNs, and also **Pantanal Matogrossense National Park**. Together, these land owners were able to raise a wildlife corridor and enhance the efforts towards the conservation of the Pantanal.

Then driven by the same goals and facing the same barriers, the group created the **Rede de Proteção e Conservação da Serra do Amolar (Amolar Network)** in 2008, as an initiative from IHP, thereby enlarging the protection area around the Pantanal Matogrossense National Park. As from 2009, the Amolar Network started operations within the region.

In 2013, EBX Group left the Amolar Network and, in 2014, **IHP** together with **a group of individual investors** acquired the right to purchase the Engenheiro Eliezer Batista RPPN. In that same year, Amolar Network signed an investment partnership with **VALE**. However, due to the international crisis and the company's critical stage when iron ore had a fall in value in 2015, the support was suspended.

Still during 2015, the above said group of individual investors donated their share to **IHP** who had then 100% of the right to acquire Engenheiro Eliezer Batista RPPN.

Thanks to the donation by photographer **Sebastião Salgado** of 20 originals from his project "Gênesis", the Amolar Network gathered the resources needed to keep up with its activity in 2015, 2016 and 2017.

In 2017, the Amolar Network started a service providing branch of operations as a new fundraising stream.

AMOLAR NETWORK

4. History

The Amolar Network is a partnership between the three sectors of society for integrally acting on the guard and conservation of Serra do Amolar

The major target is to protect and preserve the region's biodiversity, enlarging the guarded areas around the Pantanal Matogrossense National Park. By optimizing financial, technical and logistic resources, the Amolar Network seeks:

- To identify and deploy actions which directly contribute to the effective safeguard of the areas.
- To ensure the active presence of the State through public-private partnership.
- To foster a cohesive integration between conservation and human development.
- To ensure the protection and understanding of biodiversity through scientific research.

That's how the institutions look to achieve meaningful outcomes with greater efficiency and effectiveness, jointly acting with the public sector and local population.

The importance of such a joint effort goes beyond the geographic boundaries where Amolar Network operates. These matters are worth both national and global interests:

- ✓ **Protection of high biodiversity areas that lie outside the limits of the Pantanal Matogrossense National Park.**
- ✓ **Scientific research as a mean for keeping biodiversity, through the maxim "knowing for preserving".**
- ✓ **Enlargement of protected areas in the Pantanal biome.**
- ✓ **Proving access to public policy and quality education by the local population.**
- ✓ **Sustainable integration between man and nature.**

AMOLAR NETWORK

5. Agents

Member Partners



Supporting Partners

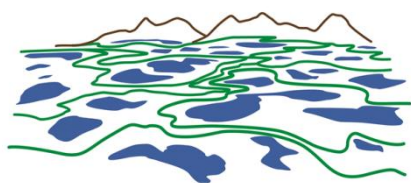


Investment Partners

Group of Individual Investors

AMOLAR NETWORK

5. Agents



PARQUE NACIONAL DO
PANTANAL
MATOGROSSENSE

The Pantanal Matogrossense National Park is comprised of 135.581 hectares in northwestern state of Mato Grosso do Sul and southwestern state of Mato Grosso. Created in 1991, it's 102 km far from Cuiabá.

The Park's wardenship is performed by **Instituto Chico Mendes de Conservação da Biodiversidade (ICMBio)**. It's entitled as a World Heritage Site and a World Biosphere Reserve by UNESCO.

The Institute was created towards the purpose of guarding and conserving biodiversity in the Pantanal by keeping up the dynamic balance and ecological integrity of nearby ecosystems.

In addition to the joint activities with Amolar Network, the Park's warden regularly carries out law enforcement, monitoring and environmental conservation routines within its domains.



Ecotrópica - Fundação de Apoio à Vida nos Trópicos – was established in 1989 in the municipality of Cuiabá, state of Mato Grosso.

As its mission, **Ecotrópica** works on the conservation of natural resources and maintenance of life quality in Brazilian tropical ecosystems.

Through undertaking a project on **Biodiversity Protection**, the Foundation acquired four areas next to the Pantanal National Park: **Dorochê, Rumo ao Oeste, Acurizal** and **Penha**, all declared RPPNs. They are also entitled by UNESCO as World Natural Heritage sites and embody the Biosphere Reserve of the Pantanal.

AMOLAR NETWORK

5. Agents



Instituto Homem Pantaneiro operates since 2002 protecting and conserving the Pantanal. It's a non-profit based in Corumbá, state of Mato Grosso do Sul.

IHP performs the management of Amolar Network and acts as a political-institutional articulator along with the municipal, state and federal branches, by acting through three pillars:

- 1. Conservation:** Managing Amolar Network activities: management of areas, environmental monitoring, law enforcement, communication, prevention and firefighting, socio-educational actions, training, scientific research and strategic actions
- 2. Environment talks:** Geo-collaborative platform, Polícia Militar Ambiental ("Environmental Military Police"), partnerships and agreements, attendance in events and councils and visits.
- 3. Memorial Homem Pantaneiro:** Revitalization of historical building, collecting, recalling of Pantanal's cultural traditions and expressions.

RESERVA PARTICULAR DO
PATRIMÔNIO NATURAL



ENGENHEIRO
ELIEZER BATISTA

A total area of 20 thousand hectares at the right bank of Paraguai river, 12 thousand hectares being RPPNs.

Instituto Homem do Pantaneiro is in charge of managing the area, where scientific research and knowledge production are active as well as the project "Coleção Biológica", with a collection of local biological materials used for education purposes.

AMOLAR NETWORK

5. Agents

FAZENDA Santa Tereza

To the southside of Engenheiro Eliezer Batista RPPN lies **Fazenda Santa Tereza**, acquired by Teresa Bracher in 2005 with the intention of creating a conservation perimeter around Baía Vermelha, in Corumbá (MS).

Fazenda Santa Tereza and aggregated areas make a private rural property dedicated to husbandry and conserving activities. It sizes 63 thousand hectares, of which 10 thousand are destined to husbandry and 53 thousand to conservation.

The farm applies its whole infrastructure to support monitoring teams from Amolar Network, Police enforcement, scientific researchers and also public or private bodies on logistic operations.



As part of Instituto Acaia, **Acaia Pantanal** is a non-profit established in 2008 aiming to foster human and social development in Pantanal by taking educational actions integrated to the conservation of the biome.

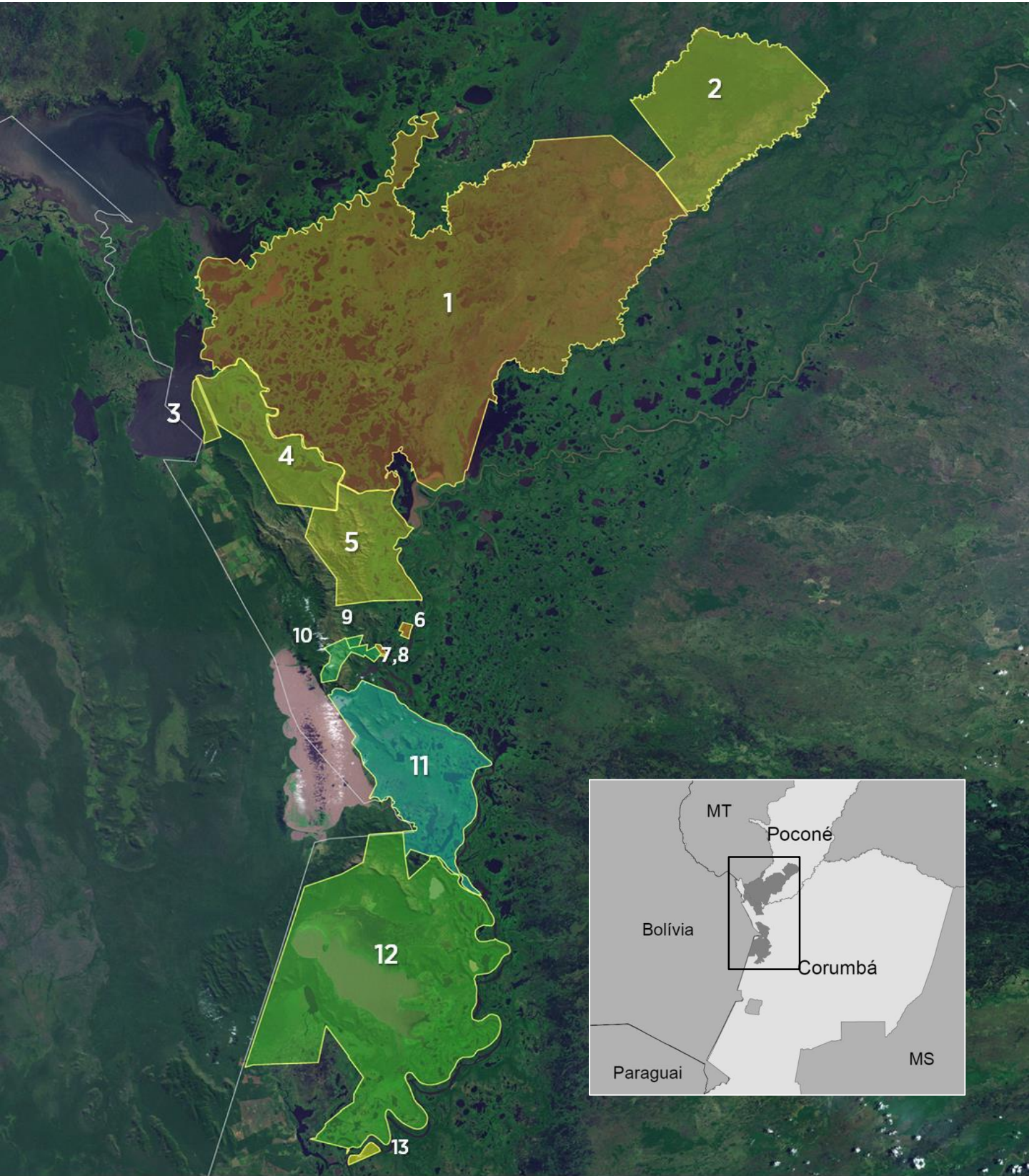
After acquiring the lands from Fazenda Santa Tereza and aggregated areas, Teresa Bracher took note of the work to be done along with riverside population from Corumbá countryside. Acaia Pantanal was created to develop social-educational activities which attend local demands.

Performed activities:

- 1. Escola Jatobazinho** – elementary school born from a public-private partnership with Corumbá city hall, operating under an alternate regime – a model deployed in rural areas consisting of a mix between boarding school and home study periods.
- 2. Jatobazinho workshops** – extracurricular workshops that develop, through playful practice and research, acknowledging, values and skills related to art, culture and citizenship.
- 3. Educator training** – continued training based on a free course designed to the context of watered-land schools and which comprises the curriculum with social-educational workshops.
- 4. Bodoquena students** – logistical, social and pedagogical support to students attending elementary school at Bodoquena school by Fundação Bradesco, at the municipality of Miranda.
- 5. Community relationship** – social-educational and development activities oriented to the families of Jatobazinho school's students, stimulating citizenship, education and income generation.
- 6. Extra activities** – logistical support to the members of Amolar Network, participating in the Network's Management and Strategic committees and logistic support to partners in education, research, environmental defense and others.

AMOLAR NETWORK

6. Map



AMOLAR NETWORK

6. Map



Pessoa Física



FAZENDA Santa Tereza



PROPRIETIES	Legally Protected Area	Amolar Network's Outreach Area
1. Pantanal Matogrossense National Park	135,581	135,581
2. Dorochê RPPN	26,518	26,718
3. Rumo ao Oeste RPPN	900	990
4. Acurizal RPPN	13,200	13,665
5. Penha RPPN	13,100	13,409
6. Fazenda São Gonçalo	-	180
7. Fazenda Santa Rosa	-	78
8. Sítio Serra Negra	-	16
9. Fazenda Vale do Paraíso	-	184
10. Fazenda Morro Alegre	-	1,351
11. Engenheiro Eliezer Batista RPPN	12,680	20,259
12. Fazenda Santa Tereza	-	63,291
13. Fazenda Jatobazinho	-	360
TOTAL (hectares)	201,979	276,087

OUTCOMES





AMOLAR NETWORK ACTIONS

Prior to the creation of the Amolar Network, the abandonment of the local population and the absence of the State in Serra do Amolar were evident. A set of actions was planned and deployed in order to meet the environmental and social demands in those areas.

In every move, as the Network identifies demands that are shared between the agents, it also respects their autonomy in operation.



MANAGEMENT OF AREAS

Management and maintenance:

- Dorochê, Rumo ao Oeste, Acurizal, Penha and Engenheiro Eliezer Batista RPPNs.
- Fazenda Santa Rosa, Fazenda São Gonçalo, Fazenda Vale do Paraíso and Fazenda Morro Alegre.
- Sítio Serra Negra.



ENVIRONMENT WARDING

- Prevention of environmental issues
- Survey on the fluvial system's biological and chemical parameters
- Identifying and registering fauna species
- Checking upon river levels and analyzing hydric pulse



LAW ENFORCEMENT

- Support to Environmental Military Police around Amolar Network areas.



COMMUNICATION

- Enabling structures for communicating with Amolar Network areas entirely.



AMOLAR NETWORK ACTIONS



PREVENTING AND FIGHTING FOREST FIRE

- Shelter for federal brigade squads from PrevFogo/Ibama.
- Support to quick response in forest fire ignition.
- Providing fire-fighting equipment, opening trails to ease the way to risky spots, and available boat.



SOCIAL AND EDUCATIONAL ACTIONS

- Follow-up on the monitoring team by a social worker.
- Support to environmental education.



TRAINING

- Contribution to training and professional development.



SCIENTIFIC RESEARCH

- Logistic support to research on such fields as Biology, Environmental and Forest Engineering, Geography, Pharmacology, Sociology, among others, aiming to produce relevant scientific knowledge.



STRATEGIC ACTIONS

- Project “Cabeceira do Pantanal”
- Ecotourism



Maintenance and area infrastructure

Acurizal RPPN

Base: monthly cleaning of the base house.

Pool: water change, cleaning and treatment of the pool along with preventive maintenance of water pump and filter. Weekly clean routine, keeping it ready for use.

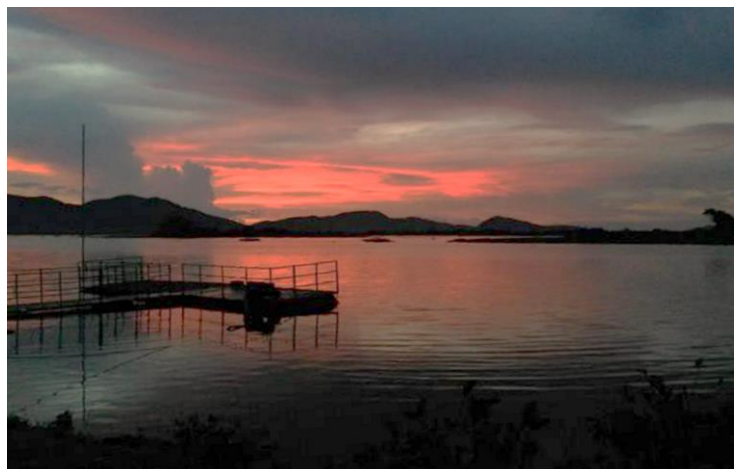
Hammock lounge: weekly cleaning and maintenance of rooftop and woodwork.

Deck: renovated and operating.

Pier: float update and maintenance of the floating pier for enabling access.

Hydraulics: preventive maintenance of water network, except for the farmhouse.

Electrics: preventive maintenance of power grid, including Búfalo B10 HP, 7.5 KVA generator and MWM, 4 c, 55 KVA generation motor.



Water treatment station: preventive maintenance of water treatment station and coal change.

Radio and communication system: preventive and corrective maintenance of radio communication and internet connection.

Solar energy system: preventive and corrective maintenance of solar energy system and solar panels.

Landing runway: weekly upkeep of land clearing, signaling and pruning of trees.

Trails: monthly upkeep of land clearing and pruning of trees, making them all useful to forest firefighting. Reestablishment of the link road between Acurizal and Rumo Oeste.





Maintenance and area infrastructure



Eliezer Batista RPPN

Solar energy systems: preventive and corrective maintenance of solar energy system and solar panels.

Equipment: preventive maintenance of all reserve's equipment – Massey Ferguson tractor, Honda ATV, hydraulic land cleaner, BTD 33 YANMAR 24 Kva generator.

Trails: monthly upkeep of land clearing and pruning of trees, making them all useful to forest firefighting.

Water treatment station: monthly maintenance of water treatment station and coal change.

Sewage treatment station: maintenance of ETE sewage treatment network.

Radio and communication system: preventive and corrective maintenance of radio communication and internet connection.



Maintenance and area infrastructure

Sítio Serra Negra



Trails: monthly upkeep of land clearing and pruning of trees, making them all useful to forest firefighting.

Radio and communication system: preventive and corrective maintenance of radio communication and internet connection.

Solar energy systems: preventive and corrective maintenance of solar energy system and solar panels.

Landing runway: weekly upkeep of land clearing, signaling and pruning of trees.

Dorochê, Rumo ao Oeste, Penha RPPNs e Santa Rosa, São Gonçalo, Vale do Paraíso e Morro Alegre farms were monitored, although they don't have a physical structure.

Waste destination: all trash generated within Amolar Network areas was destined to controlled landfill or recycling, on 4 trips throughout the year.



2017 Highlights

6 trips for environment watching.

512 km of monitored river stretches.

32 days of monitoring.

1 social worker in monitoring team, along with **1 biologist, 1 veterinarian, 1 intern, 1 area manager.**

5 conservation units e **5 private units** monitored monthly.



Paraguay river monitoring in between Jatobazinho and Pantanal Matogrossense National Park's base unit.

Species monitoring indicating environment quality such as the jaguar.

Activities for environmental education along with the schools of Jatobazinho and Escola das Águas – Barra do São Lourenço.

Registering Paraguay river levels and **studying** its hydric pulse.

Registering and communicating with the **Environmental Military Police** about possible offense in the environment context.

Sampling through fluvial and land ways, 4 days in a month:

1st stretch: Jatobazinho school, João river, Chané bay, Serra Negra, Acurizal RPPN.

2nd stretch: Acurizal RPPN, Baía da Figueira, Baía do Burro (PARNA Pantanal) and EEB RPPN.

3rd stretch: EEB RPPN, Bonfim bay canal, Paraguai Mirim, Sobradinho at Paraguai river.



OUTCOMES

Amolar Network



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da Serra do Amolar

Watercraft

Preventive and corrective maintenance of all small sized vessels (“marajós” and boats).

Preventive Maintenance of vessels from Acurizal and EEB RPPNs.





Fauna Registering

During the photographic monitoring period deployed in EEB RPPN and Santa Tereza farm, there were **24 mammal, 10 birds and 1 reptile** registered species, summing up **35 wildlife species**.

Among these, **8 mammal species** are threatened according to **IUCN's Red List**:



Brasileira tapir
Tapirus terrestris
(vulnerable)



White-lipped peccary
Tayassu pecari
(vulnerable)



Giant anteater
Myrmecophaga tridactyla (vulnerable)



Giant armadillo
Priodontes maximus
(vulnerable)



Southern three-banded armadillo
Tolypeutes matacus
(near threatened)



Jaguar
Panthera onca
(near threatened)



Cougar
Puma concolor
(least concern)



Collared peccary
Pecari tajacu
(least concern)



Pantanal feline projects

Service providing with its incomes reverted to Amolar Network conserving actions



12 trips to Fazenda Cristo Redentor, **6 trips** to Serra do Amolar, counting **50 days** of monitoring **250.000 hectare** of Pantanal area.

Watching over anti-predatory strategies, including the set-up of photographic traps.

Over **5.500 attendants** (children and adults) engaged in social-educational activities:

- **1 exhibit** on Batida da Onça – Natureza Pantanal station
- **1 speech** at Instituto Union
- **4 speeches** at Estação Natureza Pantanal
- **3 speeches** at school Beatriz Bumlai
- **2 speeches** at Moinho Cultural Sul-Americano
- **1 speech** for Grupamento Naval – national navy
- **1 speech** at FEAPAN – Rural labor union
- **2 environmental education activities** with Corumbá city hall
- **1 leaflet activity** on running overs in BR 262 highway



Interaction with Panthera group, the greatest Foundation for conserving of great felines worldwide.



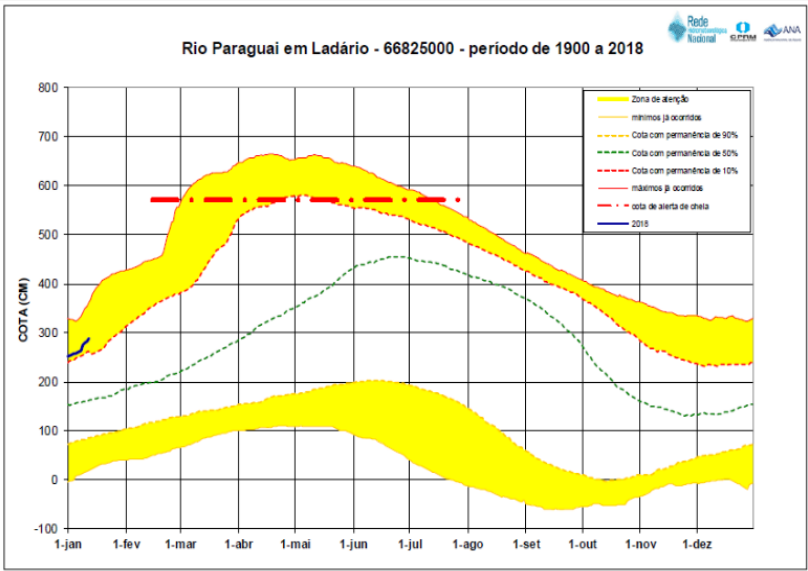
2017 Hydric Pulse



Propagation of floods in **Paraguai river** happens alongside several months over the year, characterizing the lazy outflow of Pantanal waters.

In 2017, Paraguai river had a variation of **5,3 m a 0,8 m** with the floods happening between January and May.

After analyzing data from **Rede Hidrometeorológica Nacional** (Brazil's National Hydro-meteorological Network), under responsibility of the National Water Agency of Brazil (ANA), operated by the Geological Survey of Brazil (CPRM) and partners over the last 100 years, it's possible to notice that Paraguai river levels in the region of Corumbá are currently raising.



The graphic above demonstrates the rounding curves with **minimum and maximum values** occurred on **each day of the year** (collected from 1900 and 2018) and the permanency quotas of 10%, 50% and 90%. In this area, Paraguai river has reached quotas **over the permanency curve of 10%**, which corresponds to the **critical zone** in flood periods

OUTCOMES

Amolar Network



Rede de Proteção
e Conservação
da Serra do Amolar

Environmental Military Police

51 days of law enforcement undertaken over **22 operations** (trips) within the Amolar Network area.

1.146 kg of arrested fish catch.

16 arrested material (fish equipment and weapons).

496 people approached over the enforcement period.

408 people impacted by environmental education initiatives.

454 amateur and 42 professional fishermen approached between January and February 2017.

Communication System



4 periodical maintenance trips within all Amolar Network, including battery replacing and equipment maintenance.

1 trip for preventive maintenance of equipment in Morro Pelado (Fazenda Santa Tereza).

Battery bank update and replacement of **3 solar panels**.

Permanent communication with the service provider for solving problems.

Hiring of **IT technique** for supporting internet connection in Amolar Network.

Preventive maintenance of cables and anchorage in communication towers.

OUTCOMES

Amolar Network



preventing
and fighting
forest fire



Rede de Proteção
e Conservação
da Serra do Amolar

Preventing and fighting forest fires

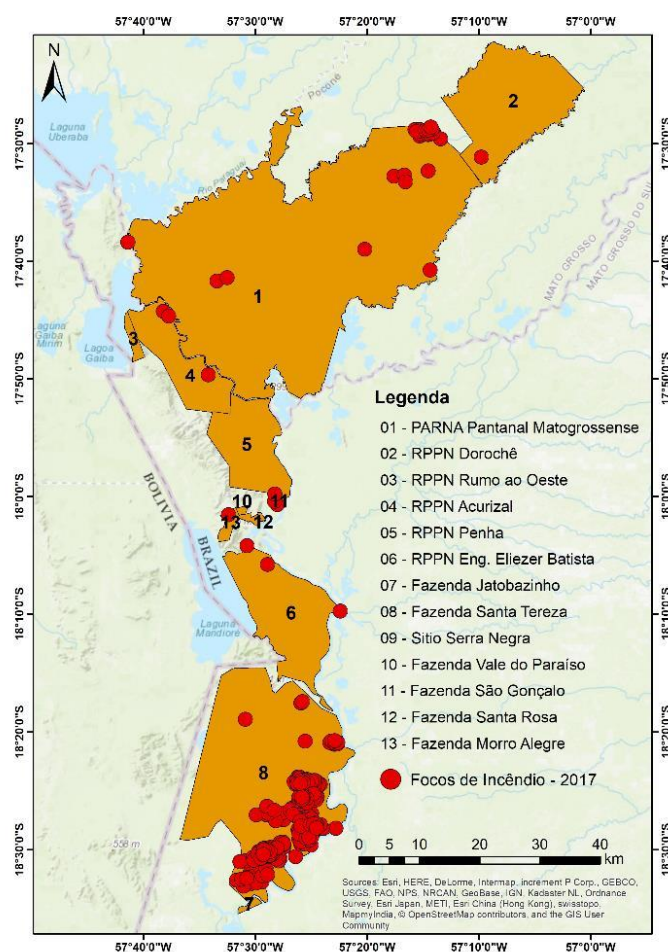
Opening of **new trail ways** and upkeep of the existing ones.

Upkeep of a **network of local residents** for locating fires.

Monitoring of **risky spots** by satellite system.

Availability check of **preventive equipment**.

422 fire spots in 2017. No significant fire burning around Amolar Network.



OUTCOMES

Amolar Network



Social support



5 trips for monitoring.

23 days of monitoring.

85 homes visited for the public diagnosis of riverside population, development of support actions for enabling access to information, goods and public service.

Environmental education



6 activities for environment education in the schools of Jatobazinho and Barra do São Lourenço.





Research support and collaboration



Support to field work **“Paisagem e Turismo de Natureza no Pantanal de Corumbá/MS, Puerto Suarez e Puerto Quijarro e suas relações transfronteiriças”**, carried out by doctorate student **Patrícia Cristina Statella Martins**, through the Geography post graduation program of UFGD and under mentorship of **Prof. Dr. Charlei Aparecido da Silva**. Support from UEMS and FUNDECT.



IHP hosting the caravan **“Expedição Científica ao Pantanal”** organized by **FETECMS** including teachers from elementary and higher education, graduate and high school students, with the intention of cherishing cultural and traditional aspects of **Aquidauana, Miranda** and **Corumbá** municipalities, besides the promotion of scientific fairs in the state of Mato Grosso do Sul.

Publishing, by Letícia Larcher and Diego Viana, of the article **“Rede de Proteção e Conservação da Serra do Amolar: um modelo de conservação integrado”** as a chapter on the book “Ciências Ambientais: ensaios e perspectivas”, after an invite from publisher Univille’s editors.

Publishing, by Diego Viana, of the article **“Experiências no conflito entre humanos e felinos na América Latina”** as a chapter on the book “Conflictos entre Felinos y Humanos en América Latina” by publisher Humbolt, after an invite from the editors.

OUTCOMES

Amolar Network



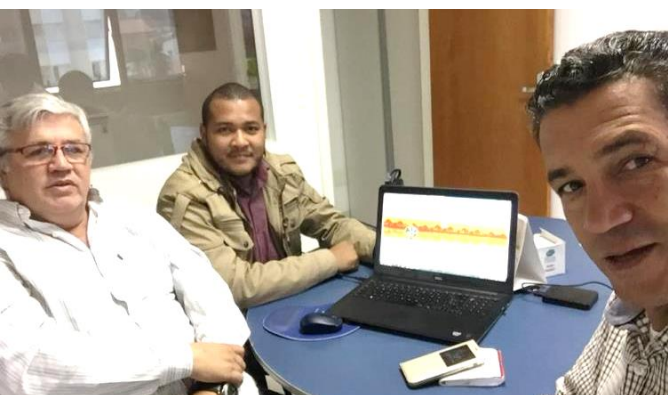
Rede de Proteção
e Conservação
da Serra do Amolar



8 meetings with partners UFMS, MMA, IBAMA, ICMBio, Neotropica.

4 meetings with Agrottools (Skype calls and in-person meetings).

Participation in a class offered in **UFMS** and taught by **Prof. Wagner Tolone**, an IHP collaborator.



Attendance at event **Encontro Bacia do Alto Paraguai e Pantanal**, with members of MP ("Public Prosecution Office") from MS and partners from Instituto SOS Pantanal at the Caiman wildlife refuge, Miranda-MS.

Meeting with **Instituto OS Pantanal** for discussing the use of GeoPantanal platform.



Meetings in Brasilia-DF with secretary Jair Tannus Junior from the **Ministry of Environment**, and the Coordinator from **Instituto Brasileiro de Informação em Ciência e Tecnologia (IBICT)** Tiago Braga.



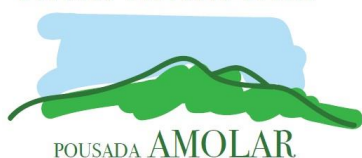
OUTCOMES

Amolar Network



Rede de Proteção
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CORUMBÁ PANTANAL BRASIL



Ecotourism

Service providing incomes reverted to conserving actions from Amolar Network.

80 visitors.

6 documentary teams supported.

4 attendances in events.

Hiring of an intern **for Operation management.**

Elaborating **routes** oriented to local public.

Attending on ecotourism for the esoteric public and contemplative tourism.

Structural renovation of **Eliezer Batista RPPN.** (general repairs, building of 2 bathrooms, enlarging of 1 room, painting).

Structural renovation of **Acurizal RPPN** (rooftop change, general repairs, painting).

Participation at the **World Travel Market Latin America** fair in São Paulo-SP.

Participation at SEBRAE's business round **"Programa Brasil Central"**.

Meeting with **Director** and **President** at **FundTur-MS** Bruno Wendling for presenting the Ecotourism project.



Environment talks | Geo-colaborative platform



6 meetings (both Skype and in-person).

60 maps elaborated and geographic tech assistance.

2 presentations.

1 public hearing: “Plano de Recursos Hídricos da Região Hidrográfica do Paraguai” (PRH), organized by the Ministry of Environment, National Water Agency of Brazil, MS and MT state governments and the RPH drafting team.

2 interns.

Participating in **workshops** on **drone using** while at field work in Campo Grande, with support from local partners and a drone donation.

Signing of the collaboration term **“Geopantanal: Ferramenta Tecnológica para Conservação”** with the state of MS/SEMAGRO and with Fundo Estadual de Direitos Difusos e Lesados – FUNLES.

AgroTools
Tecnologia | Produto | Consultoria

Geopantanal Platform

Address update and functionality improvement:
<http://ihp.terramatrix.com.br/>

2017 major maps

- conservation units and e indigenous land
- social map (riverside families and schools)
- environment monitoring of Paraguai river
- Zoneamento Ecológico e Econômico – ZEE/MS
- BAP infrastructure



Environment talks | Environmental Police

Environmental Military Police website: www.pmambientalbrasil.org.br
A channel for complaints between police units, with over 900 complaints registered:

Category	Nº complaints
Fauna-related crimes	162
Flora-related crimes	78
Fishing crimes	20
Pollution and other offenses	315
General contribution	393

Environment talks | Partnering and agreements

- Agreement for technical cooperation between **ICMBio** and **IHP** for joint acting on the protection and preservation of Pantanal Matogrossense National Park, signed by Reinaldo Lourival (IHP representative) and the Minister of Environment, José Sarney Filho.
- Special meeting with **ICMBio** representative and director for **Pantanal Matogrossense National Park** Nuno Silva, seeking to set the driver actions for protecting the park and nearby areas belonging to Amolar Network.



Environment talks | Attendance in events

Meeting with the **Biodiversity Secretariat from the Ministry of Environment**, to discuss the enlarging of the world Heritage Site (UNESCO), enlarging of Amolar Network and proposing the creation of a wide wildlife corridor for biodiversity.

Meeting at the **Federal Police** agricultural station with federal delegate Mr. Celso Martins and Mr. Cesar Moura, manager of the fishing resources area, for an integrated action by IHP, Amolar Network and the special Secretariat for Family Farming and Agricultural Development.

Participation in a Federal Senate session in tribute to great “pantaneiro” **poet Manoel de Barros**, by senator Pedro Chaves

Hearing with Minister Sarney Filho and Dr. Roberto Klabin from SOS Pantanal and Caiman Ecological Refuge, counting on the presence of IHP, for discussing the act **Lei do Pantanal**.

Public hearing about **prohibiting the catch of Dorado fish** (*Salminus brasiliensis*) in Mato Grosso do Sul rivers, promoted by state deputy Beto Pereira.

Meeting with **Prof. Fábio Roque**, from **UFMS**, for discussion on wildlife corridors.

Visit to **Ilha de Superagui National Park**, in Paraná shores, together with members of SPVS – Sociedade de Pesquisa em Vida Selvagem e Educação Ambiental, with Clóvis Borges, and also Ignácio and Sophia da CLT – Conservation Land Trust, from Argentina.

Meeting with **Secretary of Biodiversity in MMA** to present a proposition for enlarging the corridor to the north of Pantanal.

Attendance in the seminar “**Seminário de Conectividade e Corredores Ecológicos**”, at Instituto de Estudos Avançados da USP, to present the project on the connection between Pantanal Norte/Sul and Chiquitana Forest from Bolivia.

Support to the act **Lei do Pantanal** along with senator Pedro Chaves at the Federal Senate.

Meeting with **Minister of the Environment** José Sarney Filho e **Senador** Pedro Chaves, in Brasília-DF.

Realization of a **photography and drawing contest** for the week-long event “**Semana do Meio Ambiente**”, along with Ibama, awarding a trip to Amolar Network and a boat tour.

Participating in the **Ecology Seminars** subject from the course on Ecology and Conservation of Universidade Federal do Paraná, entitled “Desafio para Conservação no Pantanal – Rede do Amolar”.

Participation in the “**1º Simpósio Internacional de Conservação Integrada**” in Foz do Iguaçu.

Participation in a course on **Taxidermy**, hosted by PMA Corumbá, with logistic support and speech.

Participation in the seminar “**Seminário Internacional de Buenas Prácticas Ganadeiras: un desafío para el productor**”, at Centro de Educação Ambiental de Santa Cruz de la Sierra, Bolivia.

Environment talks | Board meetings



Participating in the Guardian Council from **Fundo Municipal de Preservação do Patrimônio Histórico e Cultural de Corumbá/MS** and in **Conselho Municipal do Meio Ambiente** ("Municipal Council for the Environment").

Environment talks | Guided visits

Accompanying the TV staff **NHK**, one of the greatest TV stations in Japan, on the visit to Amolar Network projects

Accompanying the staff from **Globo Repórter**, from national Rede Globo, during the footages for a report in partnership with TV station Rede Mato-grossense de Televisão

Meeting at Acurizal RPPN gathering with important people connected to **feline protection worldwide** and

jaguar protection in Brazil: Peter Jr. Crawshaw, Howard Quigley, Allison Devlin, Rafael Hoogesteijn, Alan Rabinowitz.

Accompanying awarded photography director **Silvestre Campe** and a **crew of Parafly pilots**.

Accompanying Spanish cameraman **Andoni Canela** and his team during the footage for the documentary "A Viagem de Unai".

Clipping

“Evento debate a produção bovina em meio ao habitat natural de onças, em MS” (event debate on cattle raising within jaguars’ natural habitat) - g1.globo.com

“Série especial: Pesquisa na Serra do Amolar” (special serie: Research in Amolar Network) - g1.globo.com

“Arqueólogos buscam na arte rupestre a origem dos povos do Pantanal” (archeologists seek the origin of Pantanal people in rock painting) - g1.globo.com

“Expedição Pantanal: Globo Repórter revela segredos do coração do Brasil” (Globo Reporter unfolds secrets from the heart of Brazil) - g1.globo.com

“Iniciativa de empresários ajuda na proteção da Serra do Amolar, no Pantanal de MS” (g1.globo.com)

“Uma imersão fotográfica pelo Pantanal do Amolar” (photograph immersion in the Amolar part of the Pantanal) - campograndenews.com.br

“Fundo Pantanal vai gerar recursos à pesquisa e práticas sustentáveis” (fund generation to research and sustainable action from Fundo Pantanal) - campograndenews.com.br

“Corumbá celebra encontro do homem pantaneiro, neste final de semana” (Corumbá celebrates gathering of “pantaneiro” men) - campograndenews.com.br

“Um corredor ecológico que guarda sinais pré-históricos de 8 mil anos” (a wildlife corridor that guards pre-historic signs dating 8 thousand years) - campograndenews.com.br

“Instituto Homem Pantaneiro cria campanha para preservação do Pantanal” (IHP campaign for preserving Pantanal) - bonitonoticias.com.br

“Mau tempo adia Trilha Ecológica de Bike para o dia 25 de junho” (bad weather postpones Eco Bike Trail dated June 25) - diariodigital.com.br

“Vida de onças no Pantanal transforma-se em exposição em Corumbá” (life of jaguars becomes exhibit in Corumbá) - correiodoestado.com.br

“Se a Amazônia é pulmão, Pantanal é o coração do planeta” (“if the Amazon forest is said to be Earth’s lungs, the Pantanal is Earth’s heart”) - campograndenews.com.br

2017 outcomes

- Logistic support by providing **82-day** accommodation and sleeping over to students, researchers, government and technical agents.
- Logistic support to **35 students, 5 professors** from Centro de Estudar Acaia Sagarana, from São Paulo, and **8 support staff** from Corumbá, during the educational project, summing up **96 days of accommodation**.
- Protection and conservation of **53 thousand hectares** within the propriety.



Foto: João Farkas

2017 outcomes

- Elementary education, in alternate regime, in Jatobazinho school, for **56 children**.
- Social support for **58 riverside families** around Jatobazinho school.
- Medical and odontological assistance to **56 children** and **18 employees** in partnership with Marinha do Brasil (Brazilian Navy).
- Logistical, social and educational support to **25 former-students** from Jatobazinho school who were settled in Bodoquena school to keep on studying.
- Going to a **5-week** training (face-to-face and remotely) summing up **360 hours** of pedagogical training.
- Technical course in **17 social-educational workshops** for a group of **34 women**.
- **Logistic support** to several public agencies acting within the range of Amolar Network area, such as the Brazilian Navy, Ibama, Environmental Police, Federal Police, Civil Guard, among others.
- **Support to Médicos do Pantanal – MDP** through Expedição Alma Pantaneira, an independent organization committed to medical and odontological service providing to families living in remote areas of the Pantanal.
- Logistic support to **35 students** and **5 teachers** from Centro de Estudar Acaia Sagarana, from São Paulo, during a pedagogical project about environment study.
- **Logistic support** by serving meals to researches, public and technical agents during maintenance activities in Amolar Network.

MANAGEMENT



João-de-barro
Furnarius rufus

MANAGEMENT

Independent Auditor's Report & Financial Statements

To the Management of INSTITUTO HOMEM PANTANEIRO Corumbá – MS

Opinion

We have audited the accompanying financial statements of INSTITUTO HOMEM PANTANEIRO (“Entity”), which comprise the balance sheet as at December 31, 2017, and the statement of surplus (deficit), statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of INSTITUTO HOMEM PANTANEIRO as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the Entity in accordance with the relevant ethical requirements set forth in the Code of Ethics for Professional Accountants and the professional standards issued by the Federal Accounting Council and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

Financial position

In 2017, total income amounted to US\$ 293,794 and total expenses and costs amounted to US\$ 362,351, resulting in a deficit of US\$ 68,557. Expenses and costs include certain non-monetary expenses (not requiring payment), such as depreciation and amortization of US\$ 18,763. However, even considering these non-monetary expenses, IHP recorded an operating deficit of R\$ 46,171, as shown in the cash flow, and income generated was not sufficient to meet the expenses and costs of IHP’s projects and activities.

Therefore, despite the deficit of US\$ 68,557 recorded in 2017, IHP does not face financial difficulties, there are no outstanding debts and no debt capital, such as bank borrowings, was necessary, since the deficit was covered by the main financial reserve, the Sustainability Fund held by IHP in the prior year (2016), in the amount of US\$ 22,186.

We emphasize the importance and Management’s need to establish strategic actions that can improve results and make the Entity’s sustainability and continuity feasible.

MANAGEMENT

Independent Auditor's Report & Financial Statements

Financial statements expressed in US dollars (US\$)

As mentioned in note 2, the financial statements were prepared in accordance with the accounting practices adopted in Brazil. For reporting purposes, additionally, they are presented in American dollars (US\$). The financial statements have been remeasured from Brazilian reais (R\$) into US dollars (US\$) using the exchange rate prevailing at December 31, 2017 and 2016 for current assets and liabilities, and income and expenses. As a general rule, noncurrent assets and liabilities are remeasured at the historical acquisition rate whereas income and expenses, at the monthly average rate, resulting in an adjustment to net assets due to the foreign-currency translation. However, as inflation rates in Brazil are relatively low, only the current rate was used to remeasure the financial statements as at December 31, 2017 and 2017. This simplified practice does not require a translation adjustment. However, if historical rates had been used, there would be no differences in the Entity's yearend net assets.

Key audit matters

Key audit matters are those matters that, in our judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Communicating detailed key audit matters in the Independent Auditor's Report is not required for this entity. This standard is only required to be applied to the audit of companies having shares, fund units, securities traded and registered on stock exchanges or traded under the regulations of a recognized stock exchange or equivalent agency, pursuant to NBC TA 701 – item 5 of the Federal Accounting Council.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative to avoid doing so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

MANAGEMENT

Independent Auditor's Report & Financial Statements

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve override of internal control, collusion, forgery, intentional omissions or misrepresentations.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

MANAGEMENT

Independent Auditor's Report & Financial Statements

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In accordance with NBC TA 700 – item 40(b) is only required for listed companies as well as providing those charged with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicating with them all relationships and other matters that may reasonably be thought to bear on our

independence, and where applicable, related safeguards.

The description in our audit report of matters that were communicated with those charged with governance, considered of most significance in our audit of the financial statements of the current period and that, accordingly, are the key audit matters, pursuant to NBC TA 701 – item 5, is only required for listed entities. The requirement to describe these matters for listed entities is not applicable unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, April 12, 2018



SGS Auditores Independentes
CRC 2 SP 020.277/O-5


Silvio de Jesus
CRC 1 SP 141.676/O-7

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Balance sheets as at December 31, 2017 and 2016
In US\$

<u>ASSETS</u>	Note	2017	2016
CURRENT ASSETS			
Cash and cash equivalents			
Cash		116	15
Banks - unrestricted		9	17
Operating reserve - unrestricted	4	1,346	1,997
Project reserve - restricted	5	56,054	164
Costing funds - unrestricted	6	1,545	15
Sustainability funds - restricted	7	22,186	72,037
Receivables	8	7,854	4,599
Total current assets		89,110	78,844
NONCURRENT ASSETS			
Property, plant and equipment	9	131,729	145,924
Intangible assets	10	8,641	12,944
Total noncurrent liabilities		140,370	158,868
TOTAL ASSETS		229,480	237,712

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Balance sheets as at December 31, 2017 and 2016
In US\$

<u>LIABILITIES AND NET ASSETS:</u>	Note	2017	2016
CURRENT LIABILITIES			
Suppliers - goods and services		7,078	4,139
Employee obligations	11	6,602	3,781
Payroll taxes	12	2,709	2,554
Taxes payable	13	266	400
Other payables	14	10,021	8,741
Funds - Projects in progress	15	56,064	-
Total current liabilities		82,740	19,615
NET ASSETS			
Net assets		146,740	218,097
Total net assets		146,740	218,097
 TOTAL LIABILITIES AND NET ASSETS			
		229,480	237,712

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Statements of surplus (deficit) for the years ended December 31, 2017 and 2016
In US\$

		2017	2016
OPERATING INCOME	Note		
Restricted			
Special agreements with government	19	242	-
Volunteer work	18	7,218	9,600
		<u>7,460</u>	<u>9,600</u>
Unrestricted			
Nongovernment sponsorships	19	-	18,442
Services rendered		73,128	48,649
Partnership agreement - Instituto Acaia	19	71,957	67,881
Donations from legal entities		40,167	52,140
Donations from individuals		94,923	75,907
Finance income		5,641	16,563
Other income		517	9,429
		<u>286,333</u>	<u>289,011</u>
Other operating income - unrestricted			
Donations of property, plant and equipment		-	56,325
Other income		-	220
		<u>-</u>	<u>56,545</u>
Total income		<u>293,793</u>	<u>355,156</u>
OPERATING COSTS AND EXPENSES			
Environmental programs			
Operating costs and expenses		(281,144)	(279,861)
Volunteer work	18	(7,218)	(9,600)
		<u>(288,362)</u>	<u>(289,461)</u>
Gross surplus (deficit)		<u>5,431</u>	<u>65,695</u>
Operating and administrative expenses		(73,988)	(72,619)
Surplus (deficit) for the period		<u>(68,557)</u>	<u>(6,924)</u>
Valuation adjustments to net assets		793	83
Comprehensive surplus (deficit)		<u>(67,764)</u>	<u>(6,841)</u>

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Statements of changes in net assets for the years ended December 31, 2017 and 2016 In US\$

	Net assets	Translation adjustment	Surplus (deficit)	Total
BALANCE AT DECEMBER 31, 2015	227,448	(42,683)	-	184,765
Deficit for the period			(6,924)	(6,924)
Valuation adjustments to net assets			83	83
Translation adjustment		40,173		40,173
Transfer of surplus	(6,841)		6,841	-
BALANCE AT DECEMBER 31, 2016	220,607	(2,510)	-	218,097
Deficit for the period			(68,557)	(68,557)
Valuation adjustments to net assets			793	793
Translation adjustment		(3,593)		(3,593)
Transfer of surplus	(67,764)		67,764	-
BALANCE AT DECEMBER 31, 2017	152,843	(6,103)	-	146,740

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Statements of cash flows for the years ended December 31, 2017 and 2016
In US\$

	2017	2016
OPERATING ACTIVITIES		
Surplus/(deficit) for the year	(68,557)	(6,924)
Increase (decrease) in items not affecting cash:		
Depreciation and amortization	18,763	14,090
Donations of investments - fixed asset		(56,325)
Valuation adjustments to net assets	793	83
Translation adjustment - Cash and cash equivalents	(830)	29,792
Decrease (increase) in assets		
Receivables	(3,724)	(311)
Increase (decrease) in liabilities		
Suppliers - goods and services	3,007	(7,030)
Employee obligations	2,883	(2,248)
Payroll of self-employed workers	-	(83)
Payroll taxes	197	858
Taxes payable	(127)	74
Other payables	1,424	3,687
Cash provided by (used in) operating activities	(46,171)	(24,337)
INVESTING ACTIVITIES		
Increase in property, plant and equipment and intangible assets	(2,882)	(40,274)
Cash provided by (used in) investing activities	(2,882)	(40,274)
FINANCING ACTIVITIES		
Funds - projects in progress	56,064	-
Cash provided by (used in) investing activities	56,064	-
Increase (decrease) in cash and cash equivalents	7,011	(64.611)
Cash and cash equivalents at beginning of year	74,245	138,856
Cash and cash equivalents at end of year	81,256	74,245
Increase (decrease) in cash and cash equivalents	7,011	(64.611)

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2017 and 2016
In US\$

1. GENERAL INFORMATION

Instituto Homem Pantaneiro ("Entity") is a private nonprofit entity, having administrative, finance and net asset autonomy, headquartered in the city of Corumbá, State of Mato Grosso do Sul. The Entity has indeterminate duration and nation-wide coverage.

The purposes of the Entity are the following:

- a) Promote, support, coordinate, develop, participate in and execute programs, plans, projects, activities, organization and viability of events related to education, monitoring, control, research, preservation and conservation of the environment, natural resources, and the environmental security quality;
- b) Promote, support, disclose, coordinate, develop, participate in and execute programs, plans, projects, activities, organization and viability of events related to education, research, training, qualification and empowerment of human resources in the environmental area;
- c) Promote, support, disclose, coordinate, develop and execute studies, environmental consulting, assessment, reports and environmental impact;
- d) Provide services and consulting to government and nongovernment institutions, private and state-owned companies, individuals and legal entities, in areas such as education, training, empowerment and professional qualification, planning, performance of all activities, organization and viability of events related to the environment, natural resources, quality and environmental security, as well as in

all areas covered by its purposes and related activities.

2. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporate Law and the technical pronouncements, instructions and interpretations issued by the Accounting Pronouncements Committee ("CPC"), and specifically ITG 2002 (R1), applicable to Nonprofit Entities and other supplementary provisions.

The financial statements were prepared in accordance with accounting practices adopted in Brazil. For reporting purposes, additionally, they are presented in American dollars (US\$). The financial statements have been remeasured from Brazilian reais (R\$) into US dollars (US\$) using the exchange rate prevailing at December 31, 2017 and 2016 for current assets and liabilities, and income and expenses. As a general rule, noncurrent assets and liabilities are remeasured at the historical acquisition rate whereas income and expenses, at the monthly average rate, resulting in an adjustment to net assets due to the foreign-currency translation. However, as inflation rates in Brazil are relatively low, only the current rate was used to remeasure the financial statements as at December 31, 2017 and 2016. This simplified practice does not require a translation adjustment. However, if historical rates had been used, there would be no differences in the Entity's yearend net assets.

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2017 and 2016
In US\$

3. SIGNIFICANT ACCOUNTING POLICIES

a) Functional and reporting currency

The financial statements are presented in Brazilian reais and US dollars – US\$.

b) Income and expense recognition

Income and expenses are recorded on the accrual basis.

c) Accounting estimates

The preparation of financial statements requires the use of estimates to account for certain assets, liabilities and other transactions. Therefore, the financial statements include estimates relating to provisions, receivables and other. Actual results may differ from these estimates.

d) Financial instruments

Non-derivative financial instruments are comprised of cash and cash equivalents, accounts and other receivables, and accounts and other payables.

e) Current and noncurrent assets

Cash and cash equivalents: Amounts recorded in cash and cash equivalents refer to bank accounts and highly liquid short-term investments with an insignificant risk of change in fair value, and which are considered equivalent to cash.

Short-term investments: Stated at cost plus income earned through the end of the reporting period, not exceeding fair or realizable values.

Property, plant and equipment: Represented by the rights acquired in tangible assets to be held and used in the Entity's operations or exercised for this purpose, including those originating from operations that transfer risks, rewards and controls over the Entity's assets.

Stated at cost, less accumulated depreciation calculated under the straight-line method based on the estimated useful life of the assets.

Intangible assets: Correspond to rights acquired in intangible assets that are maintained or used in the Entity's operations or exercised for this purpose. Intangible assets with finite useful lives are generally amortized on a straight-line basis over the period they are expected to generate economic benefits.

f) Current and noncurrent liabilities

Stated at known or estimated amounts, plus charges, inflation adjustment and/or changes in exchange rates incurred through the date of the statement of financial position, when applicable. When applicable, current and noncurrent liabilities are stated at present value based on interest rates that reflect the term, currency and risk of each transaction.

Provisions: Provisions are recognized when the Entity has a legal or constructive obligation as a result of a past event and it is probable that an outflow of funds will be required to settle the obligation. Provisions are recorded based on the best estimates of the risk involved.

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2017 and 2016
In US\$

4. OPERATING RESERVE - Unrestricted

	2017	2016
Short-term investments	1,346	1,997
Total	1,346	1,997

5. PROJECT RESERVE - Restricted

	2017	2016
Short-term investments	56,054	164
Total	56,054	164

6. COSTING FUND - Unrestricted

	2017	2016
Short-term investments	1,545	15
Total	1,545	15

7. SUSTAINABILITY FUND - Restricted

	2017	2016
Short-term investments	22,186	72,037
Total	22,186	72,037

8. RECEIVABLES

	2017	2016
Fee advances	-	658
Advances to suppliers	4,758	3,482
Receivables	6,472	3,838
Allowance for losses on credits	(3,414)	(3,379)
Recoverable taxes	38	-
Total	7,854	4,599

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2017 and 2016
In US\$

9. PROPERTY, PLANT AND EQUIPMENT

		2017		2016	
	Annual deprec. rate	Cost	Accumulated depreciation	Property, plant and equipment, net	Property, plant and equipment, net
Unrestricted					
Furniture and fixtures	10%	5,450	(2,036)	3,414	3,858
Telephony terminals	20%	116	(89)	27	51
Machinery and equipment	10%	24,661	(5,013)	19,648	21,637
IT equipment	20%	1,949	(1,623)	326	727
Land		4,534	-	4,534	4,611
Vessels	10%	60,758	(9,620)	51,138	58,173
Properties	4%	55,397	(4,063)	51,334	55,010
		152,865	(22,444)	130,421	144,067
Restricted					
Machinery and equipment	10%	1,503	(537)	966	1,136
IT equipment	20%	1,842	(1,500)	342	721
		3,345	(2,037)	1,308	1,857
Total		156,210	(24,481)	131,729	145,924

Changes in property, plant and equipment

	2016	2017			
	Net	Additions / acquisitions	Exchange rate changes	Depreciation	Net
Unrestricted					
Furniture and fixtures	3,858	242	(64)	(622)	3,414
Telephony terminals	51		(1)	(23)	27
Machinery and equipment	21,637	832	(355)	(2,466)	19,648
IT equipment	727		(11)	(390)	326
Land	4,611		(77)	-	4,534
Vessels	58,173		(959)	(6,076)	51,138
Properties	55,010		(906)	(2,770)	51,334
	144,067	1,074	(2,373)	(12,347)	130,421
Restricted					
Machinery and equipment	1,136		(20)	(150)	966
IT equipment	721		(11)	(368)	342
	1,857		(31)	(518)	1,308
Total	145,924	1,074	(2,404)	(12,865)	131,729

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10. INTANGIBLE ASSETS

	Annual amort. rate	2017		2016	
		Cost	Accumulated amortization	Property, plant and equipment, net	Property, plant and equipment, net
GPS software	20%	30,230	(21,616)	8,614	12,900
Software - computers	20%	81	(54)	27	44
Total		30,311	(21,670)	8,641	12,944

11. EMPLOYEE OBLIGATIONS

	2017	2016
Salaries	3,374	2,159
Accrued vacation pay	3,228	1,622
Total	6,602	3,781

12. PAYROLL TAXES

	2017	2016
Social security contribution (INSS)	1,242	1,671
Severance pay fund (FGTS)	281	267
PIS on payroll	38	42
Union dues	47	47
Accrued taxes on vacation pay	1,101	527
Total	2,709	2,554

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13. TAXES PAYABLE

	2017	2016
Withholding income tax – individuals	68	-
Withholding income tax - legal entities	6	70
Service tax (ISS)	96	36
Other payables	96	294
Total	266	400

14. OTHER PAYABLES

	2017	2016
Advances from customers	9,518	8,481
Reimbursable expenses	208	-
Electric power	58	247
Water	28	13
Telephone	209	-
Total	10,021	8,741

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15. FUNDS – PROJECTS IN PROGRESS

Special agreements with government – Restricted short-term investments

Type and Agency	Related responsibilities	2017 US\$	2016 US\$
FUNLES	If the project is not materialized, IHP will return the related funds to the sponsor.	56,064	-
Total		56,064	-

Refers to the Fund for the Defense and Remediation of Diffuse and Aggrieved Interests (FUNLES), managed by the Secretariat for Environment, Economic Development, Production and Family Agribusiness (SEMAGRO). The related funds were received in 2017 and will be invested in the subsequent period – 2018. Income and costs will be recognized in the financial statements as realized.

16. PROVISION FOR RISKS

Provisions are recognized by the Entity's management based on its legal counsel's opinion in amounts aligned with estimated losses arising from lawsuits. Likelihood of loss on lawsuits may be classified as:

- a) Probable – one or more future events are more likely than not to occur.
- b) Possible – one or more future events are more than remote but less than likely to occur.
- c) Remote – one or more future events are unlikely to occur.

The Entity is not party to labor, civil and tax involving risks of losses. Therefore, recognizing a provision for risks was not necessary.

17. USE OF FUNDS

The Entity's funds were used in its institutional purposes, as specified in its Bylaws, as shown in

the statement of its expenses and investments. Instituto Homem Pantaneiro has two sources of income: Donations and services provided. Income from services are used to finance the preservation of environment, natural resources, environmental quality and safety, as well as to carry out its statutory purposes and related activities.

18. VOLUNTEER WORK

As prescribed by Resolution No. 1409 – Federal Accounting Council (CFC) ITG 2002 – item 19, volunteer work should be recognized at the fair value of the service provided, as if a cash disbursement had been made. According to Appendix A to this Resolution, volunteer work should be treated in income and expenses in the same amount, without affecting the entity's surplus or deficit. Therefore, no payments were made for volunteer work, since services are not compensated, under Volunteer Work Law.

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19. SPONSHORSHIPS AND SPECIAL AGREEMENTS – Income

Special agreements with government – Restricted

Type and Agency	Project	Related responsibilities	2017 US\$	2016 US\$
Fund for the Defense and Remediation of Diffuse ad Aggrieved Interests (FUNLES), managed by the Secretariat for Environment, Economic Development, Production and Family Agribusiness).	GEOPANTANAL: Technology-enabling conservation tool.	-Execute the Work Plan; -Apply the fund received for executing the project; -Keep the accounting bookkeeping up-to-date; -Be responsible for payroll taxes; -Comply with the provisions of State Decree No. 14494; -Enable oversight and supervision by the Grantor; -Return any remaining balances; -Accountability for the funds received.	242	-
Total			242	-

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Partnership Agreement – Instituto Acaia

Entity	Project / partnership description	2017 US\$	2016 US\$
Instituto Acaia	Partnership agreement for paying the maintenance of the communications system in the areas covered by the RPCSA	7,266	6,409
Instituto Acaia	Partnership agreement for monitoring and oversight actions in the areas covered by the RPCSA	64,691	61,472
Total		71,957	67,881

Nongovernment sponsorships

Type and Agency	Project	Related responsibilities	2017 US\$	2016 US\$
Fundação Boticário de Proteção à Natureza	13 th Nature Protection and Conservation Strategy Training	Extension Training to Brazil's Environmental Military Police Officers. 2016 Nature Conservation and Protection Strategies developed into two steps: 1- Distance learning ("EaD") – Five modules with 20 hours each in a virtual learning environmental (Moodle), and, 2 – classroom training provided in Serra do Amolar, in Pantanal/MS.	-	18,442
Total			-	18,442

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20. TAX EXEMPTIONS AND WAIVER

	2017	2016
Corporate income tax (IRPJ)	-	-
Social contribution on net profit (CSLL)	-	-
ISS (Service tax)	3,408	2,432
PIS (tax on income)	1,878	2,246
Cofins (tax on income)	8,665	10,367
Total	13,951	15,045

21. INSURANCE

The Entity does not have insurance coverage for its administrative building, as the property has been preserved as a historic site, and insurers do not provide coverage for heritage buildings.

22. PROPERTY PURCHASE RIGHTS

The rural properties named Fazenda Morrinhos and Fazenda Novos Dourados, located in the municipality of Corumbá, State of Mato Grosso do Sul, where Private Natural Reserve Engenheiro Elieser Batista was created, were acquired by Instituto Homem Pantaneiro (IHP) from MMX Corumbá Mineração S.A., under a Purchase and Sale Commitment dated August 11, 2014, amended on April 16, 2015 (Fazenda Novos Dourados) and an Assignment of Rights Commitment dated August 11, 2014 (Fazenda Morrinhos), for the amounts of US\$917,257 (R\$2,089,418.90) and US\$100,851 (R\$310,581.11), which have not yet been paid by the seller to the acquiring party, since conditions precedent contained in the Commitments have not yet been complied with.

On August 11, 2014, the parties also executed a Lease Agreement. The price agreed upon for the lease - US\$63,400 (R\$600,000.00) - was paid by netting outstanding receivables in favor of the Entity which originated from the Partnership and Management, Maintenance and

Performance of Conservation Programs Agreement entered into on January 01, 2010 and amended on February 02, 2011.

Instituto Homem Pantaneiro assigned 95% of the rights it held over the abovementioned properties to a group of individuals, which was formalized on December 10, 2012 under an Assignment of Purchase Rights Agreement, for US\$180,482 (R\$368,815.07) (Fazenda Morrinhos) and US\$1,214,183 (R\$2,481,184.93) (Fazenda Novos Dourados), to join efforts to continue the environment preservation activities and the scientific and environmental education projects being developed in the properties.

The interest in the partnership established between Instituto Homem Pantaneiro and the group of individuals was lost and, as a way to contribute to the preservation of Serra do Amolar, the amount of US\$88,364 (R\$350,000.00) initially received as down payment when the assignment of rights agreement referred to above was executed, was not returned. Such amount was received by the Entity as donation.



Rede de Proteção
e Conservação
da Serra do Amolar



INSTITUTO HOMEM
PANTANEIRO

Instituto Homem Pantaneiro

Ladeira José Bonifácio, 171 - Porto Geral
Corumbá, MS - Brasil | Phone: +55 (67) 3232-3303
www.institutohomempantaneiro.org.br
faleconosco@institutohomempantaneiro.org.br