

REDE DE PROTEÇÃO E CONSERVAÇÃO DA SERRA DO AMOLAR

AMOLAR NETWORK
2018 REPORT

Foto: Smanovic

Southern lapwing
Vanellus chilensis



Rede de Proteção
e Conservação
da Serra do Amolar



INSTITUTO HOMEM
PANTANEIRO



Foto: Helder Brandão

Red-bellied tit
Callicebus moloch

Turquoise-fronted amazon

Amazona aestiva



Is Nature a prime source?

– Three important things I know: an appropriate place for a man to be leaf; bird in water state; and green lizard singing at night on the red tree. Nature is a force that floods like deserts. That which fills me with flowers, heat, insects, and numbs me to a full halt of the reactors

So I rot for poetry

In my labor the Paraclete is included.

– Manoel de Barros

“Arranjos para Assobio”



Letter from IHP

**A great challenge, a rethink,
a rediscover.**

We have lived another year of learnings in the processes of area management, establishment of new partnerships, regularization and the search for resources to certify our commitments.

The "Pantanal Law" has advanced in the Senate in a positive way with numerous debates and involvement of the society. Regrettably the process was paralyzed. These facts amplify our challenges, as they reflect directly in our activities, institutional relations and lack of public resources.

The Amolar Network maintains its socio-environmental role, reaching places and people where the Government has difficulty to go, conserving nature, educating, generating opportunities and making science. To protect the areas, more than 5 thousand km were traveled and innumerable relevant information has been collected, generating an important process of learning and knowledge.

With these experiences of protection of the areas, in addition to the "Cabeceiras" project, we exchanged information with numerous research institutions and the third sector. They are helping to define important public policies for our State.

We have launched a robust and qualified technological platform, modern and unique, with all the information of the Upper Paraguay Basin, which became a reference for universities and governmental institutions.

Attending two national events - the Brazilian Congress of RPPNs and that of Conservation Units (CEBUC) - was a source of pride to show what we are doing, to know new experiences and, thus, to gain recognition and national respect from many institutions, with the certainty that we are on the right track.

Visits to "SPVS" to get to know the Great Reserve of the Atlantic Forest and to "Iberá" in Argentina to meet Kristine Tompkins and the team of the CLT (Conservation Land Trust) have brought us new ideas and important challenges for the next year.

We are sure that we are maturing, improving our quality of work and expanding opportunities. The search to awaken in society the need to protect nature remains the great challenge.

Thinking about the collective is something that much of society does not realize as necessary. I believe that we can help awakening this initiative by helping to protect the future of children, families and nature.

Ângelo Paccelli Cipriano Rabelo - Cel QOPM RR
Institutional Relations





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

SEMAGRO – Secretaria de Estado de Meio Ambiente, Desenvolvimento Econômico,
Produção e Agricultura Familiar | 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


1. Region
2. Nature
3. Socioeconomic context
4. History
5. Agents
6. Map

OUTCOMES

1. Amolar Network
2. Agents

MANAGEMENT

Independent Auditor's Report & Financial Statements



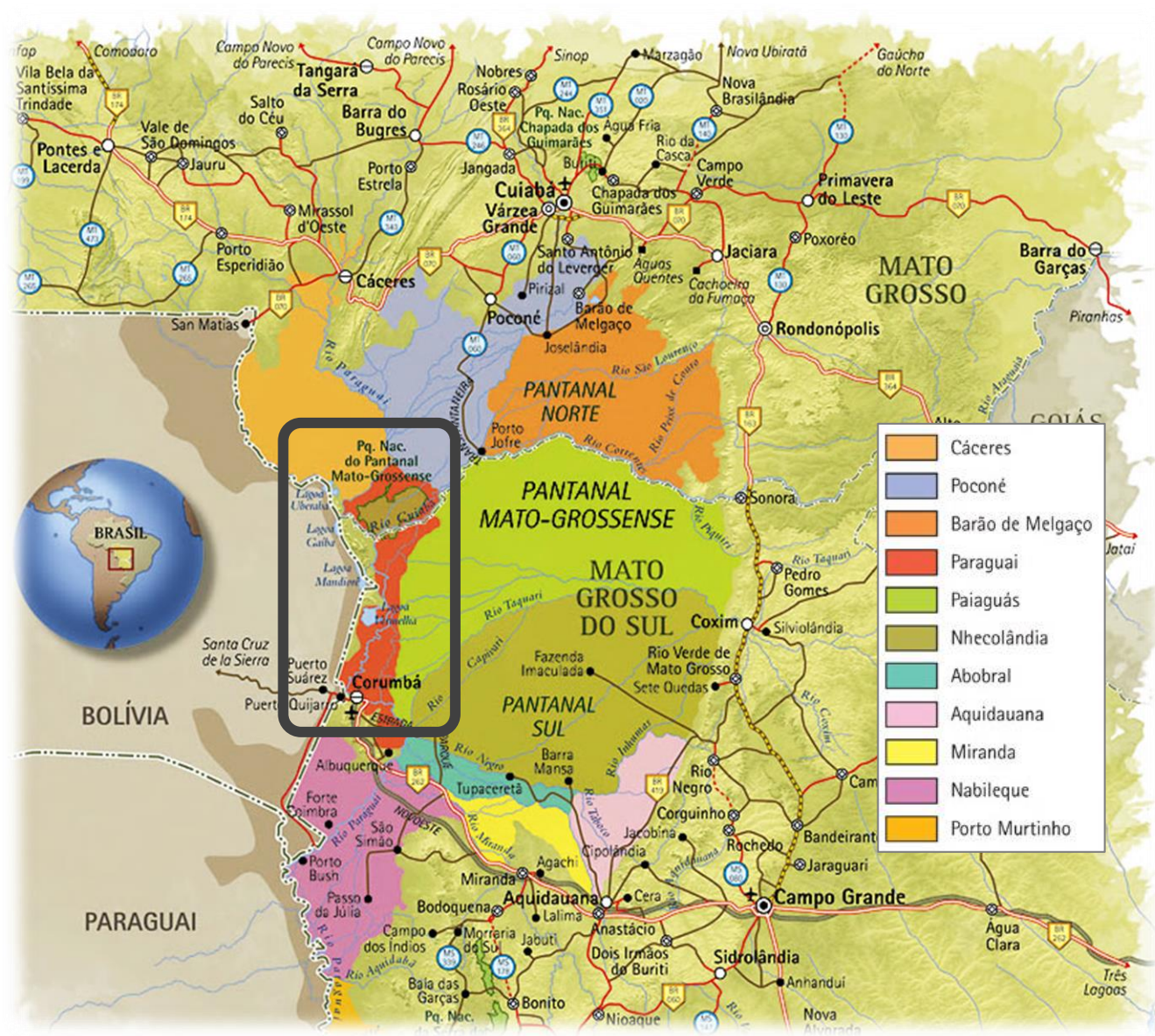
AMOLAR NETWORK

AMOLAR NETWORK

1. Region

Throughout the borders of the Pantanal Mato-Grossense, next to Bolivia.

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).



Map: Guia UNIBANCO

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 Rumão ao Oeste) carries the title of **World Heritage Site**, also granted by UNESCO.



AMOLAR NETWORK

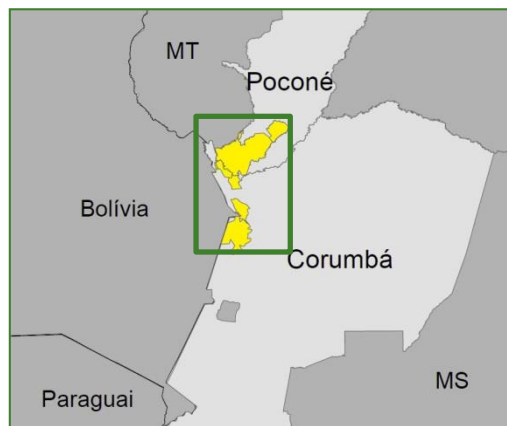
3. Socioeconomic context

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 from 2015 to 2018.

In 2017, the Amolar Network started a service providing branch of operations as a new fundraising stream. In 2018, the Network approved projects in two important edicts: the **"O Boticário Foundation"** - which for the first time opened an exclusive edict for wetlands - and **FUNLES** (Fund for the Defense and Reparation of Injured Diffuse Interests) - which allowed a great advance with the Geopantanal Platform.

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

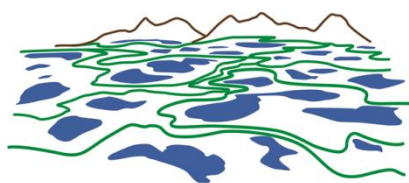


Investment Partners

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.

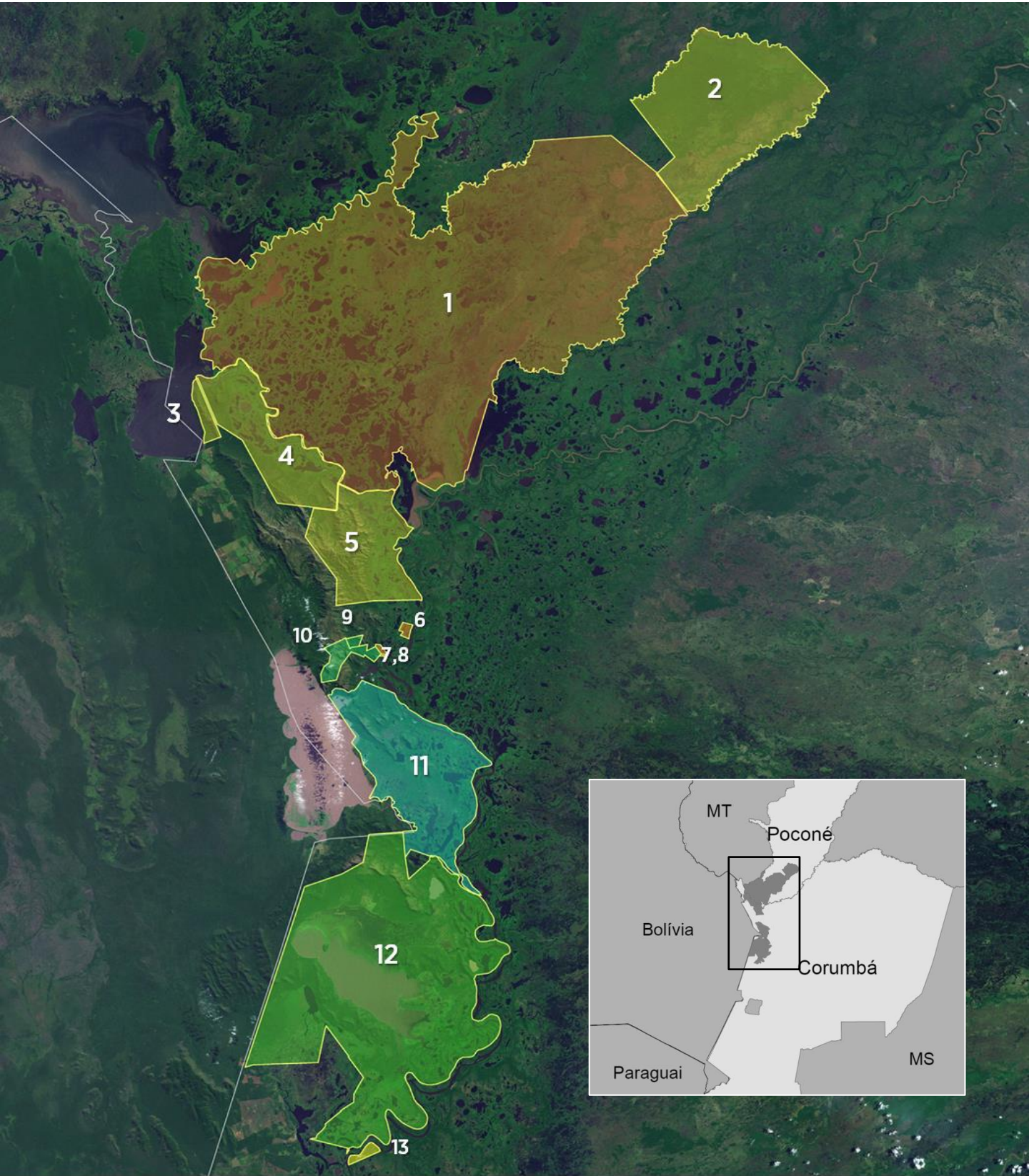
After acquiring the lands from Fazenda Santa Tereza and aggregated areas, Teresa Bracher took note of the work to be done along with riverside population from Corumbá countryside. Acaia Pantanal was created to develop social-educational activities which attend local demands.

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

An aerial photograph of a wide, winding river flowing through a lush green landscape. The river has a prominent meander, creating a large loop. In the foreground, there is a dark, irregularly shaped pond or wetland area. The surrounding land is covered in dense vegetation, with some lighter green patches indicating different types of plants or possibly agricultural fields. The overall scene is captured from a high angle, providing a broad view of the natural environment.

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.

	<p>MANAGEMENT OF AREAS</p> <p>Management and maintenance:</p> <ul style="list-style-type: none">• 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.
	<p>ENVIRONMENT WARDING</p> <ul style="list-style-type: none">• 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
	<p>LAW ENFORCEMENT</p> <ul style="list-style-type: none">• Support to Environmental Military Police around Amolar Network areas.
	<p>COMMUNICATION</p> <ul style="list-style-type: none">• 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 “Cabeceiras do Pantanal”
- Ecotourism



Maintenance and area infrastructure

Acurizal RPPN

Base: monthly cleaning of the base house.

Trails: monthly upkeep of land clearing and pruning of trees. Reestablishment of the link road between Acurizal and Rumão Oeste.

House headquarters: monthly housekeeping of headquarters.

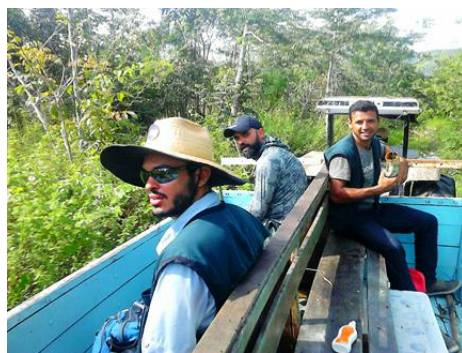
Pool: water change, cleaning and treatment of the pool along with preventive maintenance of water pump and filter. Weekly clean routine, keeping it ready for use.

Equipments: preventive maintenance in all equipments of the reserve, among them: Massey Ferguson tractor, hydraulic trowel, power generation system.

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: the system meets the emergencies of the Guatós Indians community, the Porto Índio unit and residents of the Guaíba region.

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





Maintenance and area infrastructure



Eliezer Batista RPPN

Equipments in general: preventive maintenance in all equipment of the reserve, being: Massey Ferguson tractor and hydraulic trowel. Maintenance in the generator, system of solar panels and updating of the electrical system of the headquarters.

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: the system attends the surrounding community (Novos Dourados) in emergencies and in some cases of accidents involving fishing activity.



Ruan Carlos, son of the EEB RPPN manager, Adriano Ximenez, shows the result of guava harvesting in the Reserve's orchard.



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.





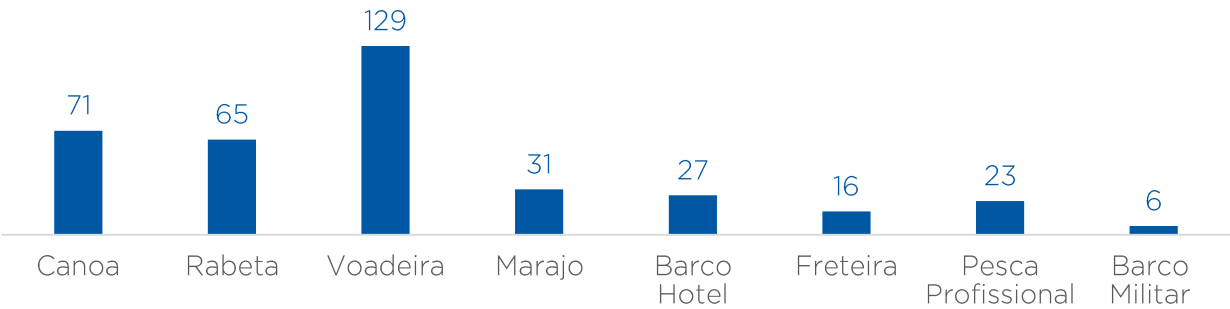
2018 Highlights

- 12 trips for environment watching.
- 5.472 km of monitored river stretches.
- 60 days of monitoring.
- 3 biologists, 1 veterinarian, 1 intern, 1 area manager and 1 field auxiliary in the field team.
- 5 conservation units and 5 private units monitored monthly.



- Paraguay river monitoring in between Corumbá municipality and Acurizal RPPN.
- Species monitoring indicating environment quality.
- Registering Paraguay river levels and studying its hydric pulse.
- Registering and communicating with the Environmental Military Police about possible offense in the environment context.

Number of water vessels found (2018)





Pantanal feline projects

Service providing with its incomes reverted to Amolar Network conserving actions



24 trips to Fazenda Cristo Redentor, **8 trips** to Serra do Amolar, **2 trips** to Taquari River and **1 trip** to Uberaba and Gaíba bays.

7,720 km traveled by car, **1,960 km** traveled by boat, operating in **250,000 hectares** of Pantanal area.

Implementation and evaluation of anti-predation strategies of cattle herds by jaguars; as well as anti-predation strategies for wild peccaries.

2 monitoring campaigns of wild species in the Alluvial Fan of the Taquari River.

Over **1.000 attendants and listeners** (children and adults) engaged in social-educational activities:

- **1 speech** at UFMS Law School.
- **1 speech** at UNIDERP's "Semana Acadêmica da Medicina Veterinária", Campo Grande-MS.
- **4 speeches** at school Beatriz Bumlai.
- **1 speech** at school Neusa Assad Malta.
- **1 speech** at "Day-Off" activity, at school Neusa Assad Malta-ENAM.
- **2 speeches** at Moinho Cultural Sul-Americano.
- **1 leaflet activity** on running overs in BR 262 highway.

OUTCOMES

Amolar Network



Rede de Proteção
e Conservação
da Serra do Amolar

Environmental Military Police

41 days of law enforcement undertaken over **17 operations** (trips) within the Amolar Network area.

1.096 kg of arrested fish catch.

65 arrested materials (fish equipment and weapons).

674 people approached over the enforcement period.
8 prisons and **1 seizure**.

401 amateur and 192 professional fishermen approached between January and December of 2018.



Communication System



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

3 corrective maintenance trips for battery banks update and solar panels replacement.



preventing
and fighting
forest fire



Rede de Proteção
e Conservação
da Serra do Amolar

Preventing and fighting forest fires

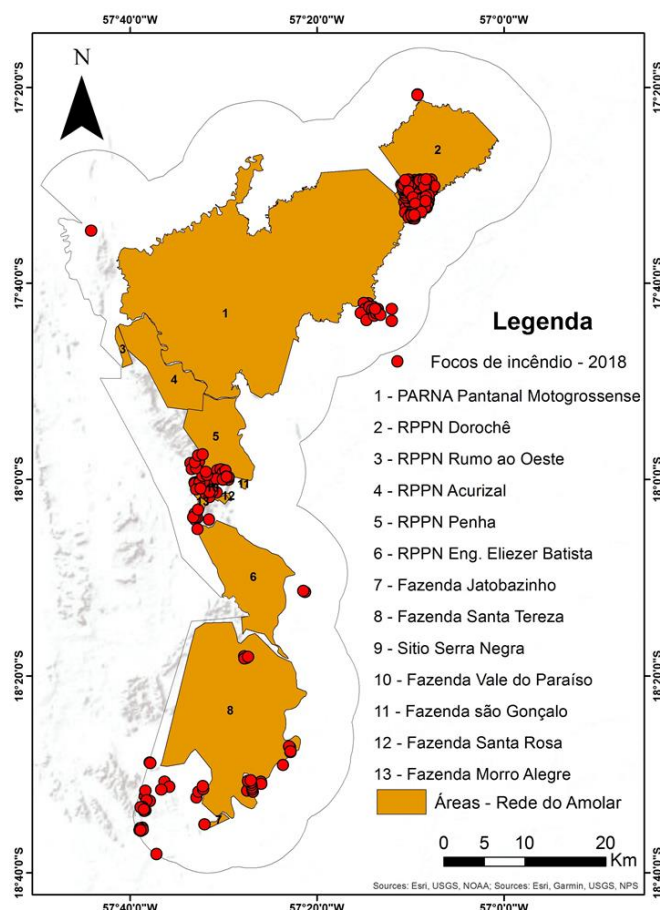
Maintenance of the **network of local residents** to locate fires.

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

Checking the feasibility of **fire prevention materials**.

Training course planning, with the support of PREVFOGO / IBAMA, for members of the Amolar Network, using the Geopantanal Platform and the Gix application.

344 fire spots in 2018. No significant fire burning around Amolar Network.



OUTCOMES

Amolar Network



social-educational
actions



Rede de Proteção
e Conservação
da Serra do Amolar



Social support

5 trips for monitoring.

23 days of monitoring.

Visit to the Paraguai-Mirim community.

Meeting with the “cacique” from Guató tribe for institutional support.



scientific
research

Research support and collaboration

Support to the group of researchers of **Centro Nacional de Pesquisa e Conservação da Biodiversidade Aquática Continental (CEPTA)**, in the fishery survey and aspects of the ichthyofauna (fish species) of the Pantanal Matogrossense and Serra do Amolar National Park.



OUTCOMES

Amolar Network



training



Rede de Proteção
e Conservação
da Serra do Amolar

XIV Course for Nature Conservation Strategies

39 officers of the Environmental Military Police, representing 21 states plus the Federal District.

3 invited participants, representing the Brazilian Navy, the Brazilian Army and the Federal Police.

200 hours of classes, being 100 hours in the distance mode (EAD) and 100 hours in person.

21 teachers and lecturers.



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 and in person).

Interaction with the discipline offered at **UFMS** through **Prof. Wagner Tolone**, an IHP collaborator.



Environmental monitoring of the rivers Miranda and Prata and Mimoso, with the support of local owners.

More than **4,800 km** of rivers covered in **60 field days** in 12 months.

Identification of vegetation suppression areas and **field trips** with drones to survey the landscape.

6 meetings and support to PMA Jardim, Miranda and Bonito.



2 meetings with the State Public Prosecutor's Office in Bonito and Jardim (MS).

2 vessels seized.

More than **200 hooked hooks** collected.

Assessment by the Environmental Military Police of non-compliant properties, with the support of the Public Ministry and IHP geoprocessing.

CORUMBÁ PANTANAL BRASIL



Ecotourism

Service providing incomes reverted to conserving actions from Amolar Network.

80 visitors and **6 documentary teams** supported.

4 events attended and **1 intern** hired.

Environment talks | Geo-colaborative platform



5 meetings (both Skype and in-person).

200 maps elaborated and geographic tech assistance.

4 presentations.

3 visits for geographical technical assistance and use of technologies

Participation in **3 events**, between symposia, seminars and courses at the **Semana do Meio Ambiente (Environment Week)**.

Socio-environmental monitoring at **APA Baía Negra in Ladário**, in partnership with IHP and IBAMA. The data collected will be hosted on the Geopantanal Platform.

Meeting between the Administrative Council of APA Baía Negra, Public Ministry, Secretariat of the Patrimony of the Union, Embrapa, Imasul, IBAMA, Environmental Foundation of Ladário, UFMS, Navy and representatives of the community to present the **Geopantanal Platform** as a georeferencing tool in APA Baía Negra.



Support to students and teachers of the **Professor João Baptista Municipal School** (Ladário-MS) in the use of the Gix application and the Geopantanal Platform, with the objective of working on the concepts of preservation and conservation of the Pantanal and the environment using new technologies.



Participation in the **7th Symposium on Geotechnology in the Pantanal** with the presentation of the article: *"Analysis of the spatial distribution of fire sources in the Pantanal"*.

Participation in the **IFMS Environment Week** with the theme: *"Instituto Homem Pantaneiro and Amolar Network: Efforts for the protection and conservation of the Pantanal"*.

Presentation of the Geopantanal Platform in the **IFMS - Corumbá Campus**.

Support to the **Environmental Military Police** of Corumbá to share technical knowledge in the area of Geoprocessing, assisting them in future strategic actions.

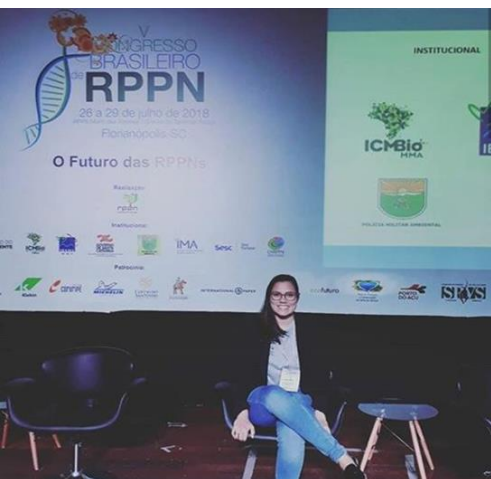


Environment talks | Environmental Police

Environmental Military Police website: www.pmambientalbrasil.org.br
Channel for complaints between units of environmental military police, with more than 800 complaints received:

Categories	Nº of complaints
Fauna-related crimes	131
Flora-related crimes	49
Fishing crimes	16
Pollution and other offenses	143
General contribution	473

Environment talks | Attendance in events



Participation in the **V Brazilian Congress of RPPNs** in Florianópolis-SC. The event was attended by owners, reserve managers, public managers, representatives of the private sector, representatives of non-governmental organizations, consultants, researchers, students and others interested in discussing the future of Brazilian RPPNs.

Presentation of the Instituto Homem Pantaneiro about the Amolar Network in this same event. Link to video recording made by **TV RPPN Brazil**:
<https://youtu.be/AtOIG2VJ1Cg>

Participation in the **IX Brazilian Congress of Conservation Units (CBUC)**. The congress brought together experts to discuss the theme *"Possible Futures: Economy and Nature"*, with the objective of sharing experiences and defining guidelines for the implementation of public conservation policies.



Participation in the **"Integrating Research in Pantanal" Workshop**, sponsored by ICMBio-CENAP, EMBRAPA-Pantanal, Instituto SOS Pantanal and Smithsonian Conservation Biology Institute (SCBI).



Participation in the **1st Meeting of the Environmental Entities of Centro-Oeste**, in Brasilia from August 22 to 23, with the objective of broadening and strengthening the representativeness of organizations and improving the work of CONAMA - National Council for the Environment in Centro-Oeste.

Participation in the **14th edition of the International Photography Festival - Paraty in Focus**, with exhibitions of the photographs taken by the renowned photographers Sebastião Salgado and Araquém Alcântara at Serra do Amolar.

Environment talks | Strategic visits

Parque Nacional Iberá (Corrientes, Argentina) and meeting with Kristine Tompkins, from the Tompkins Foundation.

Invited by The Conservation Land Trust (CLT), we visited the Iberá National Park, an area of 138,140 hectares of biodiverse protected lands in northern Argentina.

We took the opportunity to get to know the work of CLT, exchange experiences and follow up on all the methodology used in the Nature Production programs carried out in the region.



Environment talks | Board participation

Board Participation

- Curator Council of the Municipal Fund for Preservation of the Historical and Cultural Heritage of Corumbá / MS
- Municipal Council for the Environment
- Biosphere Reserve Council

Advocacy

- Pantanal Law
- State Law of PSA
- Decree on the creation of APPs in Banhados
- Studies of the Taquari River
- Mobilization of the MP-MS for the theme "Cabeceiras"

Environment talks | Partnering and agreements



Joint actions of protection and conservation in the Pantanal Matogrossense National Park and support to the expansion process of the Park.

2017 outcomes

- Logistic support to **22 people** – among students, researchers, government and technical agents – by providing **110 days** of accommodation and sleeping.
- 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 property.



2018 outcomes

- Elementary education, in alternate regime, in Jatobazinho school, for **64 children**.
- Social support for **50 riverside families** around Jatobazinho school.
- Medical and odontological assistance to **64 children** and **18 employees** in partnership with Marinha do Brasil (Brazilian Navy).
- Logistical, social and educational support to **28 former students** from Jatobazinho school who were settled in Bodoquena School of Bradesco Foundation 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 **14 social-educational workshops** for a group of **40 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** to **1.021 visitors**, of which **423** were sheltered, among researches, public and technical agents for the maintenance of the Amolar Network.

MANAGEMENT

An aerial photograph of a vast, arid landscape. The foreground and middle ground are dominated by rolling hills and valleys covered in dry, yellowish-brown vegetation. The terrain is rugged, with deep shadows and bright highlights creating a sense of depth. In the background, a large, calm body of water, possibly a lake or a wide river, stretches across the horizon under a hazy, overcast sky. The overall color palette is muted, with earthy tones of brown, tan, and grey.

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, 2018, and the statement of surplus (deficit), statement of comprehensive income (loss) and 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, 2018, 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 2018, total income earned totaled US\$440,703 whereas total expenses and costs incurred totaled US\$441,732 (operating costs of US\$359,221 + administrative costs of US\$82,511), resulting in a deficit of US\$1,029. Costs and expenses include certain noncash expenses (for which no payment was required), such as depreciation and amortization, in the amount of US\$19,543. However, despite the deficit of US\$1,029 recorded in 2018, INSTITUTO HOMEM PANTANEIRO has not faced financial difficulties, does not have outstanding debts and did not need to obtain debt capital, such as bank borrowings, since the deficit was covered by the financial reserves that INSTITUTO HOMEM PANTANEIRO held in the prior period (2017).

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, 2018 and 2017 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 revenues and expenses, at the monthly average rate, resulting in an adjustment to equity due to the foreign-currency translation (Net asset adjustment from 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, 2018 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 in 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, we:

- 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.
- 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.

MANAGEMENT

Independent Auditor's Report & Financial Statements

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 10, 2019.



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, 2018 and 2017
In US\$

<u>ASSETS</u>	Note	2018	2017
CURRENT ASSETS			
Cash and cash equivalents			
Cash		11	116
Banks – unrestricted		10	9
Banks – restricted		3	-
Operating reserve – Unrestricted	4	9,014	1,346
Project reserve – restricted	5	77,445	56,054
Costing fund – Unrestricted	6	44	1,545
Sustainability fund – Restricted	7	1,402	22,186
Receivables	8	3,216	7,854
Total current assets		91,145	89,110
NONCURRENT ASSETS			
Property and equipment	9	123,504	131,729
Intangible assets	10	15,483	8,641
Total noncurrent assets		138,987	140,370
TOTAL ASSETS		230,132	229,480

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Balance sheets as at December 31, 2018 and 2017
In US\$

<u>LIABILITIES AND NET ASSETS</u>	Note	2018	2017
CURRENT LIABILITIES			
Suppliers – goods and services		6,996	7,078
Employee obligations	11	10,521	6,602
Payroll of self-employed workers		1,171	
Payroll taxes	12	4,548	2,709
Taxes payable	13	856	266
Other payables	14	4,349	10,021
Funds – Projects in progress	15	77,445	56,064
Total current liabilities		105,886	82,740
NET ASSETS			
Net worth		124,246	146,740
Total net assets		124,246	146,740
TOTAL LIABILITIES AND NET ASSETS		230,132	229,480

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Statements of surplus (deficit) for the years ended December 31, 2018 and 2017

In US\$

		2018	2017
OPERATING INCOME	Note		
Restricted			
Special agreements with government	17	48,221	242
Nongovernment sponsorships	17	56,513	-
Volunteer work	19	23,046	7,218
		<u>127,780</u>	<u>7,460</u>
Unrestricted			
Services rendered		71,039	73,128
Partnership Agreement – Instituto Acaia	17	63,506	71,957
Donations from legal entities		39,435	40,167
Donations from individuals		126,191	94,923
Finance income		8,275	5,641
Other income		4,477	517
		<u>312,923</u>	<u>286,333</u>
Total income		<u>440,703</u>	<u>293,793</u>
Operating costs and expenses			
Environmental programs			
Operating costs and expenses		(336,175)	(281,144)
Volunteer work	19	(23,046)	(7,218)
		<u>(359,221)</u>	<u>(288,362)</u>
Gross profit (loss)		<u>81,482</u>	<u>5,431</u>
Operating and administrative expenses		(82,511)	(73,988)
Surplus (deficit) for the period		<u>(1,029)</u>	<u>(68,557)</u>
Valuation adjustments to net assets			793
Comprehensive income (loss)		<u>(1,029)</u>	<u>(67,764)</u>

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Statements of changes in net assets for the years ended December 31, 2018 and 2017 In US\$

	Net worth	Translation adjustment	Surplus (deficit)	Total
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 deficit	(67,764)		67,764	-
BALANCE AT DECEMBER 31, 2017	152,843	(6,103)	-	146,740
Deficit for the period			(1,029)	(1,029)
Translation adjustment		(21,465)		(21,465)
Transfer of deficit	(1,029)		1,029	
BALANCE AT DECEMBER 31, 2018	151,814	(27,568)	-	124,246

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Statements of cash flows for the years ended December 31, 2018 and 2017

In US\$

	2018	2017
OPERATING ACTIVITIES		
Surplus/(deficit) for the year	(1,029)	(68,557)
Increase (decrease) in items not affecting cash:		
Depreciation and amortization	19,543	18,763
Translation adjustment - Cash and cash equivalents	(11,883)	(830)
Decrease (increase) in assets		
Receivables	3,488	(3,724)
Increase (decrease) in liabilities		
Suppliers – goods and services	954	3,007
Employee obligations	4,884	2,883
Payroll of self-employed workers	1,171	-
Payroll taxes	2,235	197
Taxes payable	628	(127)
Other payables	(4,206)	1,424
Cash provided by (used in) operating activities	15,785	(46,171)
INVESTING ACTIVITIES		
Increase in property and equipment and intangible assets	(38,694)	(2,882)
Cash provided by (used in) investing activities	(38,694)	(2,882)
FINANCING ACTIVITIES		
Proceeds from projects in progress	29,582	56,064
Cash provided by (used in) investing activities	29,582	56,064
Increase (decrease) in cash and cash equivalents	6,673	7,011
Cash and cash equivalents at beginning of year	81,256	74,245
Cash and cash equivalents at end of year	87,929	81,256
Increase (decrease) in cash and cash equivalents	6,673	7,011

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2018 and 2017
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, 2018 and 2017 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 revenues and expenses, at the monthly average rate, resulting in an adjustment to equity due to the foreign-currency translation (Net asset adjustment from 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, 2018 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.

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2018 and 2017
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 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, 2018 and 2017
In US\$

4. OPERATING RESERVE - Unrestricted

	2018	2017
Short-term investments	9,014	1,346
Total	9,014	1,346

5. PROJECT RESERVE - Restricted

	2018	2017
Short-term investments	77,445	56,054
Total	77,445	56,054

6. COSTING FUND - Unrestricted

	2018	2017
Short-term investments	44	1,545
Total	44	1,545

7. SUSTAINABILITY FUNDS - Restricted

	2018	2017
Short-term investments	1,402	22,186
Total	1,402	22,186

8. RECEIVABLES

	2018	2017
Fee advances	997	-
Advances to suppliers	1,190	4,758
Salary advances	154	-
Receivables	3,758	6,472
Allowance for expected credit losses	(2,915)	(3,414)
Recoverable taxes	32	38
Total	3,216	7,854

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2018 and 2017
In US\$

9. PROPERTY AND EQUIPMENT

		2018			2017
	Annual deprec. rate	Cost	Accumulated depreciation	Property and equipment, net	Property and equipment, net
Unrestricted					
Furniture and fixtures	10%	4,898	(2,219)	2,679	3,414
Telephony terminals	20%	99	(86)	13	27
Machinery and equipment	10%	44,172	(8,367)	35,805	19,648
IT equipment	20%	1,664	(1,664)	-	326
Land		3,871		3,871	4,534
Vessels	10%	51,871	(13,400)	38,471	51,138
Properties	4%	47,293	(5,360)	41,933	51,334
					130,421
Restricted					
Machinery and equipment	10%	1,283	(586)	697	966
IT equipment	20%	1,572	(1,537)	35	342
		2,855			1,308
Total		156,723	(33,219)	123,504	131,729

Changes in property and equipment

	2017	2018			
	Net	Additions/ purchases	Exchange rate changes	Depreciation	Net
Unrestricted					
Furniture and fixtures	3,414	245	(499)	(481)	2,679
Telephony terminals	27		(4)	(10)	13
Machinery and equipment	19,648	23,119	(2,875)	(4,087)	35,805
IT equipment	326		(42)	(284)	-
Land	4,534		(663)	-	3,871
Vessels	51,138		(7,480)	(5,187)	38,471
Properties	51,334		(7,509)	(1,892)	41,933
Restricted					
Machinery and equipment	966		(141)	(128)	697
IT equipment	342		(51)	(256)	35
	1,308				
Total	131,729	23,364	(19,264)	(12,325)	123,504

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2018 and 2017
In US\$

10. INTANGIBLE ASSETS

	Annual amort. rate	2018		2017	
		Cost	Accumulated depreciation	Property and equipment, net	Property and equipment, net
GPS software	20%	41,138	(25,663)	15,474	8,614
Software - computers	20%	69	(60)	9	27
Total		41,206	(25,723)	15,483	8,641

11. EMPLOYEE OBLIGATIONS

	2018	2017
Salaries payable	5,178	3,374
Accrued vacation pay	5,343	3,228
Total	10,521	6,602

12. PAYROLL TAXES

	2018	2017
Social Security Contribution (INSS)	2,141	1,242
Severance Pay Fund (FGTS)	390	281
PIS on payroll	134	38
Union dues	40	47
Accrued taxes on vacation pay	1,843	1,101
Total	4,548	2,709

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2018 and 2017
In US\$

13. TAXES PAYABLE

	2018	2017
Withholding income tax – individuals	524	68
Withholding income tax - legal entities	20	6
Service tax (ISS)	244	96
Other payables	68	96
Total	856	266

14. OTHER PAYABLES

	2018	2017
Advances from customers	4,127	9,518
Reimbursable expenses	84	208
Electric power	127	58
Water	11	28
Telephone	-	209
Total	4,349	10,021

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2018 and 2017
In US\$

15. FUNDS – PROJECTS IN PROGRESS

Special agreements with government – Restricted short-term investments

Type and Agency	Related responsibilities	2018 US\$	2017 US\$
Vale S.A.	Refers to the single installment released under Project Cabeceiras do Pantanal. The purpose of the project is to cooperate with the production of qualified environmental information about Pantanal, particularly springs and Permanent Preservation Areas (APPs) in Alto Paraguai Basin (BAP). The Project seeks to create or strengthen mechanisms whereby social, economic and scientific evaluations may be converted into quality information for the planning and definition of environmental policies.	77,423	-
FUNLES (a)	If the project is not materialized, IHP will return the related funds to the sponsor.	22	56,064
Total		77.445	56,064

a) 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).

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.

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2018 and 2017
In US\$

17. SPONSHORSHIPS AND SPECIAL AGREEMENTS – Income

Special agreements with government – Restricted

Type and Agency	Project	Related responsibilities	2018 US\$	2017 US\$
Fund for the Defense and Remediation of Diffuse and 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.	48,221	242
Total			48,221	242

Partnership Agreement – Instituto Acaia – Unrestricted

Entity	Project / partnership description	2018 US\$	2017 US\$
Instituto Acaia	Partnership agreement for paying the maintenance of the communications system in the areas covered by the RPCSA	6,344	7,266
Instituto Acaia	Partnership agreement for monitoring and oversight actions in the areas covered by the RPCSA	57,162	64,691
Total		63,506	71,957

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2018 and 2017
In US\$

Non-governmental sponsorships – Restricted

Type and Agency	Project	Related responsibilities	2018 US\$	2017 US\$
Fundação Boticário de Proteção a Natureza	Rede de Proteção e Conservação da Serra do Amolar: environmental monitoring as a conservation tool.	Environmental Monitoring Serra do Amolar no Pantanal/MS	41,028	-
Fundação Boticário de Proteção a Natureza	14 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.	15,485	-
Total			56,513	-

18. 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.

19. VOLUNTEER WORK

As prescribed by Resolution No. 1409 – Federal Accounting Council (CFC) ITG 2002 (R1) – 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.

MANAGEMENT

Independent Auditor's Report & Financial Statements

INSTITUTO HOMEM PANTANEIRO

Notes to the financial statements for the years ended December 31, 2018 and 2017
In US\$

20. TAX EXEMPTIONS AND WAIVER

	2018	2017
Corporate income tax (IRPJ)	-	-
Social contribution on net profit (CSLL)	-	-
ISS (Service tax)	5,122	3,408
PIS (tax on income)	2,864	1,878
Cofins (tax on income)	13,221	8,665
Total	21,207	13,951

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) (Faz. Morrinhos) and US\$1,214,183 (R\$2,481,184.93) (Faz. Novos Dourados), to join efforts to continue the environment preservation activities and the scientific and environmental education projects being developed in the properties.



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