

## **Special Purpose Financial Information**

### **Brazilian Biodiversity Fund - FUNBIO**

For the period from January 1 to December 31, 2024

Accompanied by the Independent Auditor's Report on the Special Purpose Financial Information of the Project "Advancing integrated metropolitan planning and investments in innovative urban technology in Brazil - CITinova II"

**Brazilian Biodiversity Fund - FUNBIO**

The Special Purpose Financial Information of the Project “Advancing Integrated Metropolitan Planning and Innovative Urban Technology in Brazil - CITinova II”

For the period from January 1 to December 31, 2024

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*(A free translation of the original in Portuguese)*

## **Report of the independent auditor on the special purpose financial information of the Project “Advancing integrated metropolitan planning and investments in innovative urban technology in Brazil - CITinova II”**

To the Executive Secretariat and the Deliberative Council of the  
Brazilian Fund for Biodiversity - FUNBIO  
Project “Advancing Integrated Metropolitan Planning and Innovative Urban Technology in Brazil - CITinova II”

Rio de Janeiro - RJ

### **Opinion**

We have audited the accompanying financial statements from the Project Advancing integrated metropolitan planning and investments in innovative urban technology in Brazil - CITinova II ("Project"), managed by the Brazilian Fund for Biodiversity - FUNBIO ("Entity"), financed with resources from the Global Environment Facility (GEF) through UNEP ("Funder"), for the period from January 1<sup>st</sup>, 2024 to December 31, 2024, as well as the corresponding explanatory notes, including the material accounting policies (together referred to as "Project's special purpose financial information").

In our opinion, the Project's special purpose financial information for the period January 1<sup>st</sup>, 2024 to December 31, 2024, referred to above, has been prepared, in all material respects, in accordance with the accounting basis of receipts and payments described in Note 2.

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are 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 ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian 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**

#### **Basis for the preparation of the Project's special purpose financial information and restriction on distribution or use**

We call attention to Note 2 to the specific purpose financial information of the Project, which describes its basis for its preparation. This special purpose financial information has been prepared for the specific purpose of meeting the requirements of the contract signed between the Entity and the Project Funder.



Brazilian Fund for Biodiversity - FUNBIO

Project “Advancing Integrated Metropolitan Planning and Innovative Urban Technology in Brazil - CITinova II”

Consequently, the Project's special purpose financial information may not be suitable for other purposes. Such special purpose financial information, therefore, does not represent a complete financial statement in accordance with the accounting practices adopted in Brazil, or with other general purpose accounting practices. In this context, our report is intended solely for the use of the Entity's management and the Project Funder, who are familiar with such specific purposes and criteria and should not be distributed or used by parties other than those mentioned. Our opinion is not qualified in relation to this matter.

## **Other subjects**

### **Amounts corresponding to the previous year**

The examination of the Project's special purpose financial information for the year ended December 31, 2023, was conducted under the responsibility of other independent auditors, who issued an audit report, dated May 29, 2024, without qualifications.

### **Management and governance responsibilities for the Project's special-purpose financial information**

The Entity's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and the accounting basis of receipts and payments described in Note 2. This includes determining that the accounting basis of receipts and payments is an acceptable basis for the preparation of the special purpose financial information in the circumstances, as well as for the internal controls that it has determined are necessary to enable the preparation of special purpose financial information free from material misstatement, regardless of whether caused by fraud or error.

In preparing the Project's special purpose financial information, management is responsible for assessing the Entity's ability to continue operating and disclosing where applicable matters relating to its business continuity and the use of that accounting basis in the preparation of Project special purpose financial information, unless management intends to liquidate the Entity or cease operations or has no realistic alternative to avoid shutting down operations.

Those responsible for the governance of the Entity are those responsible for overseeing the process of preparing the Project's special-purpose financial information.

### **Auditor Responsibilities for Auditing Project Special Purpose Financial Information**

Our objectives are to obtain reasonable assurance that the Project's special purpose financial information, taken together, is 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.



## Brazilian Fund for Biodiversity - FUNBIO

### Project "Advancing Integrated Metropolitan Planning and Innovative Urban Technology in Brazil - CITInova II"

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. We also:

- 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 collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Project's special purpose 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 special purpose financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance about, among other things, the scope and timing of planned audit engagements and significant audit findings, including significant deficiencies in internal controls that may have been identified during our engagements.

Rio de Janeiro, June 12, 2025

PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/F-5

DocuSigned by  
Daniel Naves Marteletto  
Signed by DANIEL NAVES MARTELETTO (020007280)  
CPF: 020007280  
Signing Time: 27 de junho de 2025 11:09 BRT  
ID: E5C98CDB-96F2-4995-85B8-28E089A8A8E7  
C: BR  
Reason: AC: CertSign RFB OS

Daniel Naves Marteletto  
Counter CRC 1MG105346/O-2

**Brazilian Biodiversity Fund - FUNBIO**

Special Purpose Financial Information of CITinova II Project  
For the period from January 1 to December 31, 2024  
(Amounts stated in Brazilian reais, unless otherwise indicated)

The movement of resources for CITinova II Project for the period from January 1 to December 31, 2024, is presented below:

	Notes	Amounts in USD	Exchange Rate (*)	Amounts in BRL
<b>Project Balance at the Beginning of the Period</b>		546,360.19	4.81	2,627,992.49
Net Investment Income (**)	3	37,593.28	4.81	180,823.67
Financial Expenses	3	(226.61)	4.81	(1,090.00)
Funds Disbursed	4	(499,302.73)	4.81	(2,401,646.14)
Advances / Refunds (***)	4	3,74	4.81	18.00
<b>Project Balance at the End of the Period</b>		<b>84,427.87</b>		<b>406,098.02</b>

(\*) The exchange rate presented is the average of the donor's contributions. Amounts shown in US dollars have been converted at the average exchange rate.  
(\*\*) The amount refers to the financial income earned from the investment, net of income tax to be withheld upon redemption by Funbio.  
(\*\*\*) The amount of BRL18.00 refers to an overpayment refund of a travel advance recorded under protocol 2024.1031.00070-2.

The accompanying notes are an integral part of these special purpose financial information.

## **Brazilian Biodiversity Fund - FUNBIO**

Explanatory Notes to the Special Purpose Financial Information of "CITinova II Project"

For the period from January 1 to December 31, 2024

(Amounts stated in Brazilian reais, unless otherwise indicated)

### **1. Operating Context**

The Brazilian Biodiversity Fund ("the Entity" or "FUNBIO") is a private, national, non-profit organization that works in partnership with the government, business sectors and civil society to channel strategic and financial resources to effective biodiversity conservation initiatives. Its headquarters are located at Rua Voluntários da Pátria, No. 286, 5th and 6th floors, Botafogo, Rio de Janeiro-RJ, and it also has an office in Brasília-DF, at SHN Quadra 2, Block F, Executive Office Tower, rooms 1323 to 1326, Asa Norte.

FUNBIO's main activities include the financial management of projects and funds, the development of financial mechanisms, and research into new sources of financing for conservation as well as the procurement of goods and services. The organization is accredited as an implementing agency of both the GEF (Global Environment Facility) and the GCF (Green Climate Fund).

The CITinova II Project – Advancing Integrated Metropolitan Planning and Investments in Innovative Urban Technology in Brazil – aims to reduce greenhouse gas emissions, conserve biodiversity, and deliver economic, social, and environmental benefits in Brazilian metropolitan regions through an integrated urban planning approach. The project targets the Metropolitan Region of Belém, the Metropolitan Region of Florianópolis, and the Integrated Development Region (RIDE) of Teresina. This is an initiative of the Ministry of Science, Technology, and Innovation (MCTI), financed by the Global Environment Facility (GEF) through UNEP. In March 2024, an addendum to the contract was signed, setting the amount managed by FUNBIO at USD 11,073.

### **2. Material Accounting Practices**

#### Basis of Preparation and General Information

The special purpose financial information of the Project has been prepared on a cash basis of accounting, with revenues recorded upon receipt of funds and expenses recognized when they are actually paid in cash. The Project is funded by the Global Environment Facility (GEF) through UNEP, with FUNBIO as the managing partner of the initiative. This accounting practice differs from the accounting standards adopted in Brazil, under which transactions are recorded when incurred, rather than when paid.

The Entity's management approved the issuance of this special purpose financial information on June 12, 2025.

#### Available Funds

Available funds primarily consist of checking account balances and other investments designated to meet the Project's cash flow requirements.

**Brazilian Biodiversity Fund - FUNBIO**

Explanatory Notes to the Special Purpose Financial Information of "CITinova II Project"  
For the period from January 1 to December 31, 2024  
(Amounts stated in Brazilian reais, unless otherwise indicated)

Currency

This special purpose financial information is presented in Brazilian reais, which is FUNBIO's functional currency. For the presentation of amounts in US dollars equivalent to the amounts in reais in both the special purpose financial information and the explanatory notes, management considers for contributions the foreign exchange contracts in Brazilian reais (BRL) executed on the date the funds are received, based on the donor's contracted amount in US dollars (USD). For disbursements, net investment income, and financial expenses, the average exchange rates from the donor's contributions are used.

Funds Disbursement

Expenses are recognized at cost when incurred.

**3. Available Funds**

The bank account balance for the period from January 1 to December 31, 2024, is detailed as follows:

Description	Type	Amounts in USD	Exchange Rate (*)	Amounts in BRL
Banco do Brasil - CDB 27402-X	Financial investment	84,427.87	4.81	406,098.02

(\*) The exchange rate presented is the average of the donor's contributions.

For the period from January 1 to December 31, 2024, net investment income totaled BRL 180,823.67 (2023 – BRL 111,743.73), equivalent to USD 37,593.28 (2023 – USD 23,231.54). Financial expenses totaled BRL 1,090.00 (2023 – BRL 11,385.99), equivalent to USD 226.61 (2023 – USD 2,367.15).

Financial investments in bank deposit certificates (CDBs) are represented by securities that yield 96% of the CDI (Interbank Deposit Certificate rate), with redemption terms of up to 60 months and an insignificant risk of impairment. These investments are held with a top-tier financial institution.

**4. Funds Disbursement**

A summary of the funds disbursed for the CITinova II Project for the period from January 1 to December 31, 2024, is presented below:



## Brazilian Biodiversity Fund - FUNBIO

Explanatory Notes to the Special Purpose Financial Information of "CITinova II Project"

For the period from January 1 to December 31, 2024

(Amounts stated in Brazilian reais, unless otherwise indicated)

Budget Component (*)	Amounts in USD	Exchange Rate (*)	Amounts in BRL
<b>10 NATIONAL PROJECT COMPONENT</b>	<b>(365,606.96)</b>	<b>4.81</b>	<b>(1,758,569.79)</b>
1102 - Project Staff	(311,439.79)	4.81	(1,498,025.45)
1601 - Staff Travel & Transport	(54,167.17)	4.81	(260,544.34)
<b>20 SUB CONTRACT COMPONENT</b>	<b>(46,283.20)</b>	<b>4.81</b>	<b>(222,622.16)</b>
2301 - Sub Contract to private firms	(46,283.20)	4.81	(222,622.16)
<b>30 TRAINING COMPONENT</b>	<b>(81,162.46)</b>	<b>4.81</b>	<b>(390,391.69)</b>
3201 - Training	(80,374.57)	4.81	(386,601.89)
3301 - Meetings	(787.89)	4.81	(3,789.80)
<b>50 MISCELLANEOUS COMPONENT</b>	<b>(6,250.00)</b>	<b>4.81</b>	<b>(30,062.50)</b>
5202 - Audit Reports	(6,250.00)	4.81	(30,062.50)
<b>Total funds disbursed</b>	<b>(499,302.62)</b>	<b>4.81</b>	<b>(2,401,646.14)</b>

A summary of the funds disbursed for the CITinova II Project for the period from January 1 to December 31, 2023, is presented below:

Budget Component (*)	Amounts in USD	Exchange Rate (**)	Amounts in BRL
<b>10 NATIONAL PROJECT COMPONENT</b>	<b>(7)</b>	<b>4.81</b>	<b>(34)</b>
1601 - Staff Travel & Transport	(7)	4.81	(34)
<b>30 TRAINING COMPONENT</b>	<b>(29)</b>	<b>4.81</b>	<b>(137)</b>
3201 – Training	(29)	4.81	(137)
<b>Total de recursos executados</b>	<b>(36)</b>	<b>4.81</b>	<b>(171)</b>

(\*) The tables above are presented according to the Components and Categories planned in the ANUBIS System used by UNEP.

(\*\*) The exchange rate presented is the average of the donor's contributions



**Memorandum on the compliance of contractual clauses  
of accounting and financial nature for the Project  
“Advancing Integrated Metropolitan Planning and  
Innovative Urban Technology in Brazil - CITinova II”**

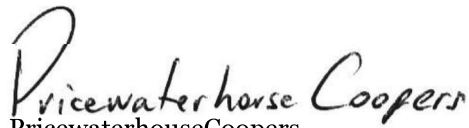
To the Executive Secretariat and the Deliberative Council of the  
Fundo Brasileiro para a Biodiversidade - FUNBIO  
Project “Advancing Integrated Metropolitan Planning and Innovative Urban Technology in Brazil - CITinova II”  
Rio de Janeiro - RJ

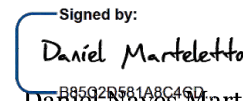
We have audited the financial statements for the period from January 1<sup>st</sup> to December 31, 2024 of Project “Advancing Integrated Metropolitan Planning and Innovative Urban Technology in Brazil - CITinova II” (“Project”), managed by Fundo Brasileiro para a Biodiversidade - FUNBIO (“Entity”), financed with resources from the Global Environment Facility (GEF) through UNEP (“Funder”) and we have issued our report corresponding to it, dated June 12, 2025.

We have performed our audit in accordance with the international auditing standards and the requirements of the contract signed between the Entity and the financed with resources from the Global Environment Facility (GEF) through UNEP. These standards require adequate planning and performance of the audit to obtain reasonable certainty that FUNBIO has complied with the relevant clauses in the contract signed between the Entity and the financed with resources from the Global Environment Facility (GEF) through UNEP. The audit includes the examination, based on samples, of the evidence judged by us to be appropriate. Thus, we consider that our audit provides a reasonable basis for our opinion.

Based on the procedures performed for the period from January 1<sup>st</sup>, 2024 to December 31, 2024, we are not aware of any situations that lead us to believe that FUNBIO has not complied with the applicable contractual clauses, of accounting and financial nature, of the contract agreed between the Entity and financed with resources from the Global Environment Facility (GEF) through UNEP.

Rio de Janeiro, June 29, 2025

  
PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/F-5

Signed by:  
  
Daniel Naves Marteletto  
Counter CRC 1MG105346/O-2



**Report of recommendations for improvement  
of internal controls prepared in connection with  
the special purpose financial information of  
the Project “Advancing integrated metropolitan  
planning and investments in innovative urban  
technology in Brazil - CITinova II”**

June 29, 2025

To the Executive Secretariat and the Deliberative Council of the  
Brazilian Biodiversity Fund – FUNBIO  
Project “Advancing integrated metropolitan planning and investments in innovative urban technology in Brazil -  
CITinova II”  
Rio de Janeiro - RJ

This report is complementary to our report on the Project “Advancing integrated metropolitan planning and  
investments in innovative urban technology in Brazil - CITinova II”.

Dear Sirs,

In connection with the examination of the special purpose financial information of Project “Advancing integrated  
metropolitan planning and investments in innovative urban technology in Brazil - CITinova II” (“Project”) on  
December 31, 2024, conducted in accordance with the accounting practices adopted in Brazil and for the purpose of  
expressing an opinion on such financial information, we present our report with recommendations for the  
improvement of internal controls.

In our examination, we selected audit procedures for the purpose of obtaining evidence regarding the amounts and  
disclosures presented in the special purpose financial information. Among these procedures, we obtained an  
understanding of the entity and its environment, which includes the internal control of the Brazilian Biodiversity Fund  
– FUNBIO (“Entity”), for the identification and assessment of the risks of material misstatement in financial  
information, regardless of whether caused by fraud or error. In assessing these risks, under the auditing standards, the  
auditor considers the internal controls relevant to the preparation and proper presentation of financial information, for  
the purpose of planning the audit procedures that are appropriate in the circumstances, but not for the purpose of  
expressing an opinion on the effectiveness of these internal controls of the Entity. Thus, although we do not express an  
opinion or conclusion about the Entity's internal controls, we present recommendations for the improvement of  
internal controls resulting from the findings made in the course of our work.

The Management of the Entity is responsible for the internal controls determined by it as necessary to enable the  
preparation of financial information without material misstatement, regardless of whether caused by fraud or error. In  
fulfilling this responsibility, the Management makes estimates and makes decisions to  
determine the costs and the corresponding expected benefits with the implementation of internal control procedures.



Project “Advancing integrated metropolitan planning and investments in innovative urban technology in Brazil - CITInova II”

June 29, 2025

Internal governance in the context of auditing standards is defined as the process planned, implemented and maintained by those responsible for governance, management and other employees to provide reasonable assurance as to the achievement of the Entity's objectives with respect to the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations. Internal control deficiency exists when: (i) the control is planned, implemented or operated in such a way that it fails to prevent, or detect and correct in a timely manner, misstatements in financial information; or (ii) it lacks a control necessary to prevent, or detect and correct in a timely manner, misstatements in financial information.

The audit procedures have been performed on a test basis, for the sole purpose mentioned in the first paragraph, and therefore these do not necessarily allow us to disclose all significant deficiencies in the Entity's internal controls. In the course of our work carried out on a test basis, we did not identify the need for improvements that should be made to the revised in the accounting or internal control systems. New evaluations or studies, in connection with future specific and detailed examinations or revisions, may eventually reveal other aspects that can be improved.

This report is intended solely for the information and use of the Management and others authorised by the Entity and has not been prepared for use or presented to third parties outside the organisation.

We take this opportunity to express our gratitude for the cooperation given to us by the Management and by employees of the Entity during the period of our work.

Best regards,

A handwritten signature in black ink that reads "PricewaterhouseCoopers" in a cursive script.

PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/F-5

Signed by:

A handwritten signature in black ink that reads "Daniel Marteletto" in a cursive script.

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Daniel Naves Marteletto  
Counter CRC 1MG105346/O-2