

Sustainable Rural Credit Bureau



September, 2022

- BCB mandate
- Derop structure
- Rural credit information
- Sidor
- Sustainable Rural Credit Bureau
- Stakeholders

Mandates to the Central Bank of Brazil

Ensure price stability

Maintain
financial
stability and
efficiency

Smooth
fluctuations in
economic
activity

Promote full
employment

Department of Regulation, Supervision and Control of Rural Credit Operations and Proagro¹ (Derop)

Regulation

Rural Credit and Proagro Operations System (Sicor)

Monitoring and Supervision

¹Agricultural Activity Guarantee Program

Recor¹

- 1995 to 2013
- Register rural credit operations
- Few internal validations

Sicor²

- 2013 to present
- Real time validations
- Geodetic coordinates:
 - 2013: Optional
 - 2015: Mandatory for Proagro³ coverage
 - 2016: Gradually mandatory for credit
 - 2020: Fully mandatory

Bureau⁴

- Build on Sicor
- Geodetic coordinates:
 - Environmental compliance
 - Real time validations
 - Post-contract monitoring

(More details ahead)

¹ Recor: Common Rural Operations Registry (Registro Comum de Operações Rurais)

² Sicor: Rural Credit and Proagro Operations System (Sistema de Operações do Crédito Rural e do Proagro)

³ Proagro: Agricultural Activity Guarantee Program, federal government multi-risk insurance (Programa de Garantia da Atividade Agropecuária)

⁴ Bureau: Sustainable Rural Credit Bureau (Bureau de Crédito Rural Sustentável)

Today: Rural Credit and Proagro Operations System (SICOR)

Annual flow: 1.9 mln operations, R\$309 bln (US\$56 bln)

Stock: 3.7 mln active contracts, R\$459 bln standing (US\$83 bln)

SICOR Records' Dimensions¹

Government
Sustainability
Programs²

Production System
(no-till, Integrated
Crop-Livestock-
Forestry...)

Perennial
crops/
Products³

Sicor Verifications¹

Slave-like work
conditions

Geodetic coordinates
overlap

CAR number (lack of)⁴

¹ Sustainability-related dimensions and verifications already existing in Sicor.

² Low-Carbon Agriculture Program (ABC Program), Pronaf Agroecology, Pronaf Bioeconomy (National Program for the Support of Family Farming).

³ Perennial crops: cocoa, palm, and other. Products: water collection, retention and use systems; implementation of renewable energy technologies; and other.

⁴ Registration of the property in Environmental Rural Registry (CAR) is mandatory for the concession of rural credit (Art. 78-A Forest Code).

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Phases

Impediments (Res. BCB no. 140)

- Indigenous lands*
- Quilombola lands*
- Conservation units*
- Amazon biome^{1*}
- CAR (lack of)
- Slave-like work conditions

Supervisory action (automated routines)

- Embargoed areas^{2*}

Benefits³

- ABC+ Program⁴
- Third party sustainability certifications
- Use of renewable energy

Open finance (Res. BCB no. 204)

- Consultation by financial institutions
- Consultation by third parties

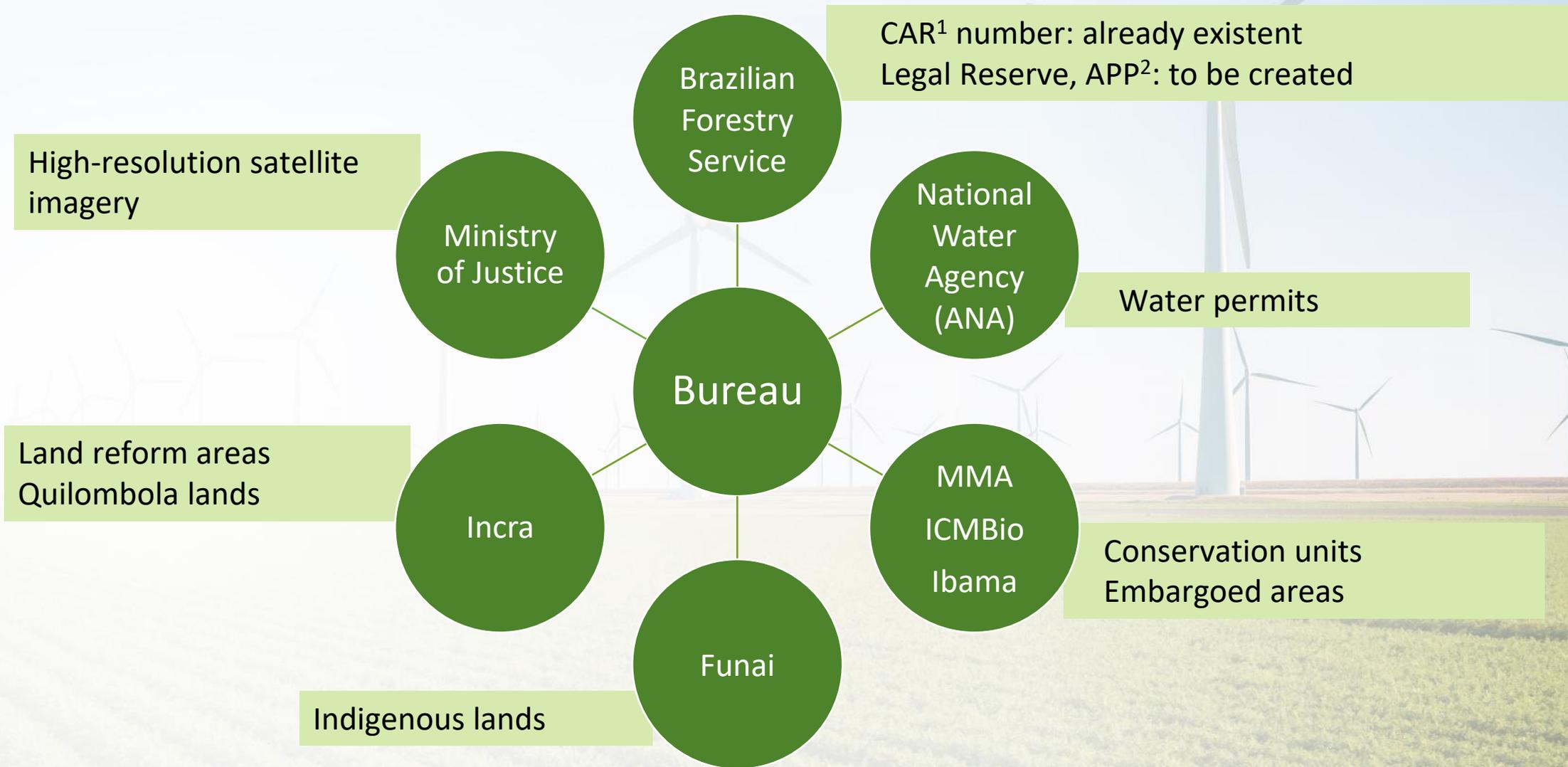
¹Areas embargoed by Ibama because of illegal deforestation; When under the National Land Reform Program, for proponents with restrictions due to illegal deforestation

²Areas embargoed by Ibama

³To be defined in a working group formed by the Ministry of Agriculture, Ministry of Economy, and the Central Bank

⁴Low-Carbon Agriculture Program (ABC)

*New verifications in Sicor based upon pre-existing regulations



¹ CAR: Environmental Rural Registry number

² APP: Permanent Preservation Area

Thank you!

