

Financial Statements

INSTITUTO IGARAPÉ

December 31, 2023 and 2022

with a Report from the Independent Auditors

Sede Grupo Audisa

São Paulo

Alameda Rio Negro, 503 - 1º andar
Conj. 108/109 - Alphaville

☎ 11 3661-9933

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Unidades Operacionais

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Rio de Janeiro

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Unidade Tecnológica

Santa Catarina

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São Paulo-SP, April 8, 2024.

To the members of the board and management of

INSTITUTO IGARAPÉ
C/o Mrs. Ilona Szabó
275 Humaitá St., fl. 7
Humaitá – Rio de Janeiro
Zip code: 22.261-005

Re.: Independent Auditor's Report on the Financial Statements

Dear Sirs and Madams,

We hereby submit to your care Independent Auditor's Report of the Financial Statements for the year ended on December 31, 2023 and 2022 of **INSTITUTO IGARAPÉ.**

Yours Truly,

AUDISA AUDITORES ASSOCIADOS
('AUDISA ASSOCIATED AUDITORS')
(Regional Accountanting Board No) CRC/SP 2SP "S" "RJ" 024298/O-3

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INSTITUTO IGARAPÉ

Financial Statements

December 31, 2023 and 2022

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**INSTITUTO IGARAPÉ
 (“IGARAPÉ INSTITUTE”)**
CNPJ (Legal Entity Registration N.) : 14.051.935/0001-01
“INDEPENDENT AUDITORS’ REPORT OF THE FINANCIAL STATEMENTS”
Report on the Financial Statements

We have audited the accompanying financial statements of **INSTITUTO IGARAPÉ**, which comprised the balance sheet as on December 31, 2023, and the corresponding statements of income, changes in net equity, and cash flows, for the financial year then ended, as well as the accompanying notes, including the summary of the significant accounting policies.

In our opinion, the financial statements are prepared in accordance with the law and regulations and give a true and fair view of the financial position of the Entity as on December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with accounting standards and practices generally accepted in Brazil.

Basis for Opinion on Financial Statements

Our audit was conducted in accordance with Brazilian and International audit standards. Our responsibilities, under such standards, are described in the section “Auditor’s responsibilities for the audit of the financial statements”, below. We are independent with relation to the Entity, in accordance with the applicable ethical principles of the Accountant’s Professional Code of Ethics (‘Código de Ética Profissional do Contador’) and professional standards issued by the Federal Accounting Board (‘Conselho Federal de Contabilidade’), and we comply with the other ethical requirements of these standards. We believe that the audit evidence that has been obtained is a sufficient and appropriate basis for our opinion.

Management’s responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices accepted in Brazil, and for such internal controls it has deemed 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 capacity to continue operating, disclosing, when appropriate, issues related to its operational continuity and the use of that assumption as an accounting basis for the preparation of the financial statements, unless management intends to liquidate the Entity or to cease its operations, or does not have any realistic alternative to avoid the end of operations.

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The individuals responsible for the Entity's management are those with responsibility for the supervision of the preparation of financial statements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable confidence that the financial statements, taken as a group, are free of material distortion, whether caused by fraud or error, and issue an audit report containing our opinion. Reasonable confidence is a high degree of confidence, but not a guarantee that an audit carried out in line with Brazilian and International audit standards always detects material distortions that may exist. Distortions may result from fraud or error, and are deemed material when, individually or as a group, they may reasonably influence economic decisions based on the financial statements.

As part of the audit that was carried out, in line with Brazilian and international audit standards, we exercised professional judgement and maintained professional skepticism throughout the audit. In addition to this:

- We identified and assessed risks of material distortion in the financial statements, whether caused by fraud or error; planned and executed audit procedures in response to such risks; and obtained appropriate and sufficient audit evidence on which to base our opinion. The risk of not detecting material distortion resulting from fraud is greater than that resulting from error, as fraud can involve deliberate circumvention of internal controls, collusion, forgery, omission or intentionally false representation.
- We obtained an understanding of the internal controls that were relevant to the audit, to plan audit procedures that were appropriate in the circumstances, but not with the objective of expressing an opinion on the efficacy of the Entity's internal controls.
- We assessed the adequacy of the accounting policies used and the reasonableness of the accounting estimates and the corresponding disclosures made by management.
- We reached a conclusion on the adequacy of management's use of the accounting basis of operational continuity and, based on audit evidence obtained, whether there is material uncertainty with relation to events or conditions that may raise significant doubts regarding the Entity's capacity to continue operating as a going concern. If we conclude that there is material uncertainty, we must draw attention in our audit report to the corresponding disclosures in the financial statements, or, if the disclosures are inadequate, qualify our opinion. Our conclusions are based on the audit evidence obtained until the date of our report. However, future events or conditions may cause the Entity to cease operating.

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- We evaluate the overall presentation, structure, and content of financial statements, including disclosures and whether the financial statements represent the corresponding transactions and events in a manner consistent with the objective of adequate presentation.

We communicated with management regarding, among other topics, the planned reach, the period of the audit and the significant audit findings, including possible significant deficiencies in internal controls identified during our work.

São Paulo - SP, April 8, 2024.

AUDISA AUDITORES ASSOCIADOS
“AUDISA ASSOCIATED AUDITORS”
(Regional Accounting Board N.) CRC/SP 2SP “S” “RJ” 024.298/O-3

ALEXANDRE CHIARATTI DO
 NASCIMENTO:14782348819

Assinado de forma digital por ALEXANDRE CHIARATTI
 DO NASCIMENTO:14782348819
 Dados: 2024.04.11 14:34:28 -03'00'

Alexandre Chiaratti do Nascimento

Accountant

(Regional Accounting Board N.) CRC/SP “S” “RJ” 187.003/ O-0
 (National Independent Auditor Board N.) CNAI – SP – 1620

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ALEXANDRE CHIARATTI DO
NASCIMENTO (14782348819)
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Balance Sheetfor de Year ended December 31,
Values in US\$

	Accompanying Note	2023	2022		Accompanying Note	2023	2022
Assets				Liabilities			
Current				Current			
Cash and equivalents	5	1,527,496	914,219	Tax and social obligations	8	556	623
Project resources - to receive	6	861,980	468,462	Suppliers	9	-	452
Other current assets		6,626	883	Project resources - to undertake	10	1,297,162	705,001
Recoverable taxes		1	-	Provisions	11	3,964	7,689
				Fixed Asset with restriction	12	4,192	4,914
				Deferred revenue - projects		167	-
Total Current Assets		2,396,103	1,383,563	Total Current Liabilities		1,306,041	718,679
Non-Current				Net Equity			
Fixed Assets	7			Contributed capital	13	733,616	479,433
Property & Equipment		60,844	42,638	Adjustments of Previous Period		-	(1,046)
(-) Accumulated depreciation		(35,407)	(26,829)	Surplus for the year		381,884	202,306
Total Non-Current Assets		25,437	15,809	Total Net Equity		1,115,499	680,693
Total Assets		2,421,540	1,399,372	Total Liabilities and Net Equity		2,421,540	1,399,372

The accompanying notes are an integral part of the financial statements.

Rio de Janeiro, December 31, 2023.

DocuSigned by:

Ilona Szabó de Carvalho

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Ilona Szabó de Carvalho

President Director

(Individual Taxpayer Registration N.) CPF 074.772.907-75

DocuSigned by:

FABIO BOECHIE

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Fábio Eugênio Boechie

Accountant

(Regional Accounting Board N.) CRC-RJ 104.971/O-4

Income Statementfor de Year ended December 31,
Values in US\$

	Accompanying Note	2023	2022
OPERATING REVENUES			
Restricted			
Project Revenue		1,422,655	1,462,184
		1,422,655	1,462,184
Unrestricted			
Donation Revenue		339,919	90
Revenue for Services Rendered		-	204,325
Overhead		-	66,381
Operating Revenues		12,923	-
Voluntary work revenues	19	5,174	4,868
Operating Revenues deduction		-	(140,758)
		358,017	134,906
PROJECT COST			
General project costs		(1,422,655)	(1,462,184)
Net Revenue		358,017	134,906
DESPESAS OPERACIONAIS			
General and administrative		(83,006)	(36,943)
Voluntary work	19	(5,174)	(4,868)
Taxes and fees		(9,024)	(1,668)
Depreciation and amortization		(5,388)	(3,371)
Expenses recovery		-	46,562
		(102,592)	(287)
Surplus Before Financial Result		255,425	134,618
FINANCIAL RESULT			
Financial expenses		(400)	(881)
Financial revenue		126,859	68,568
Net Financial Result		126,459	67,688
Surplus for the Year	13	381,884	202,306

The accompanying notes are an integral part of the financial statements.

Rio de Janeiro, December 31, 2023.

DocuSigned by:

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Ilona Szabó de Carvalho

President Director

(Individual Taxpayer Registration N.) CPF 074.772.907-75

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Fábio Eugênio Boechie

Accountant

(Regional Accounting Board N.) CRC-RJ 104.971/O-4

Statement of Changes in Net Equityfor de Year ended December 31,
Values in US\$

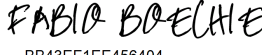
	CONTRIBUTED CAPITAL	ADJUSTMENTS OF PREVIOUS PERIOD	SURPLUS FOR THE YEAR	NET EQUITY
Balance on December,31 2021	244,918	(1,016)	283,521	527,423
Incorporation of Ajustments of Previous Period	(1,016)	1,016	-	-
Incorporation of 2021 Surplus	283,521	-	(283,521)	-
2022 Surplus	-	-	202,306	202,306
Translation Difference	(47,990)	(1,046)	-	(49,035)
Balance on December,31 2022	479,433	(1,046)	202,306	680,693
Incorporation of Ajustments of Previous Period	(1,046)	1,046	-	-
Incorporação do Superávit em 2022	202,306	-	(202,306)	-
2023 Surplus	-	-	381,884	381,884
Translation Difference	52,922	-	-	52,922
Balance on December,31 2023	733,616	-	381,884	1,115,499

The accompanying notes are an integral part of the financial statements.

Rio de Janeiro, December 31, 2023.

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 EECC9FDB19A742B
Ilona Szabó de Carvalho
 President Director
 (Individual Taxpayer Registration N.) CPF 074.772.907-75

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 Accountant
 (Regional Accounting Board N.) CRC-RJ 104.971/O-4

Statements of Cash Flows**INDIRECT METHOD**

for de Year ended December 31,

Values in US\$

	2023	2022
Cashflows from Operating Activities		
Surplus for the Year	381,884	202,306
Adjustment for		
Depreciation and Amortization	6,492	(914)
Provisions	(4,322)	(52,553)
Adjustments of Previous Period	-	(1,046)
Adjusted Surplus for the Year	384,053	147,793
Decrease (increase) in operating assets		
Project resources - to receive	(357,096)	655,480
Other current assets	(5,675)	2,316
Increase (decrease) in operating liabilities		
Suppliers	(487)	444
Tax and social obligations	(115)	444
Project resources - to undertake	537,348	(631,790)
Fixed Asset with restriction	(1,104)	4,914
Deferred revenue - projects	167	-
Net cash generated in operating activities	557,090	179,600
Cashflows from investing activities		
Acquisition of property & equipment	(14,891)	(8,604)
Written off of property & equipment	-	6,047
Net cash employed in investing activities	(14,891)	(2,557)
Increase in cash and equivalents	542,199	177,043
Cash and equivalents at the beginning of the year	985,297	737,176
Cash and equivalents at the end of the year	1,527,496	914,219
Variation in cash and cash equivalents	542,199	177,043

The accompanying notes are an integral part of the financial statements.

Rio de Janeiro, December 31, 2023.

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Fábio Eugênio Boechie
Accountant

(Regional Accounting Board N.) CRC-RJ 104.971/O-4



Accompanying Notes to the Financial Statements December 31, 2023 Values in US\$

1 Operating Context

INSTITUTO IGARAPE ('IGARAPE INSTITUTE') is a NOT-FOR-PROFIT ASSOCIATION, a private legal entity, with activities in social fields. The Institute was founded in 2011, with the objective of improving the efficacy of public policy and social action, by creating synergy between several themes, sectors and actors involved in research and implementation of public policy and local development projects.

It focuses on integrating safety and development agendas. It proposes alternative solutions to complex social challenges, through research, public policy formulation and organization.

Our approach is to diagnose challenges through cutting-edge research, encourage debate geared towards the formulation of public policy and the organization of support for such policy in the public and private arenas, and to design solutions that are targeted and people-centered. Instituto Igarape currently works on three high-level themes: areas of public security, climate, and digital security and their consequences for democracy.

The Institute is a reference for governments, the private sector, international agencies, non-government organizations and the media. It is headquartered in Rio de Janeiro and has representation in Brasília and São Paulo, it has partnerships and projects in Brazil, Colombia, Haiti, Mexico, Guatemala, United States, Africa and Europe.

In accordance with its bylaws and as shown by its expenses and equity investments, the Entity has applied all its resources to its institutional purposes.

2 Presentation of the Financial Statements

In the elaboration of the accounting statements of 2022, the institution adopted Law n. 11.638/2007, Law n. 11.941/2009, which changed articles in Law n. 6.404/1976 regarding the elaboration and publication of the financial statements.

The accounting statements were prepared in accordance with the accounting practices established in Brazil, qualitative characteristics of the accounting information, CFC Resolution n. 1.374/2011 (NBC TG), regarding the Conceptual Structure for the Elaboration and Presentation of the Accounting Statements, CFC Resolution n. 1.376/2011 (NBC TG 26), regarding the Accounting Statement Presentation, Deliberations of the Securities Commission (CVM) and the Rules issued by the Federal Accounting Council (CFC), especially regarding CFC Resolution n. 1.409/2012 for Nonprofit Organizations, which establishes specific criteria and procedures for the evaluation, recording of components and equity variations, and of the structure of the accounting statements, and the minimum information to be publicized in an explanatory note of the nonprofit organizations.

3 Formal Bookkeeping Compliance– CFC Resolution n. 1330/2011 (ITG2000)

The institution maintains a uniform bookkeeping system of its administrative acts and facts, through an electronic process. The accounting records contain the identification number of the entries related to the respective document of external or internal origin or, when there is not any, there are elements that can prove or show facts and the practice of administrative activity.



Accompanying Notes to the Financial Statements **December 31, 2023** **Values in US\$**

The Financial Statements, including the Accompanying Notes, prepared in accordance with legal and statutory provisions, will be transcribed in the Entity's General Ledger and transmitted digitally through SPED ECD.

The accounting documentation of the Institution is composed of all documents, books, papers, records, and other pieces that support or compose the bookkeeping.

The accounting documentation is apt having the essential intrinsic or extrinsic characteristics defined by law, in accounting procedures or accepted by "uses and customs". The institution maintains its accounting documents in good order.

4 Main accounting practices

The main accounting practices adopted by the Entity are:

Functional and Presentation Currency:

Items included in the Financial Statements are measured using the currency of the main economy in which the Entity is active ("functional currency"). The Financial Statements are presented in Brazilian **Real**, which is the functional currency of the Entity and, also its presentation currency.

Cash and Equivalents:

In accordance with CFC Resolution n. 1.296/2010 (NBC -TG 03) – Cashflow Statements, and CFC Resolution n. 1.376/2011 (NBC TG 26) – Presentation of Financial Statements, values included in this sub-group include physical cash and current accounts. Cash equivalents are financial investments with maturity of less than 90 days from the date of investment. These are readily convertible into a known amount of cash and are subject to an insignificant risk of change in value.

Cash equivalents are kept for the payment of short-term cash commitments and not for investment or other purposes.

Investments with Immediate Liquidity:

Financial investments in accordance with the investment policy approved by the Fiscal Council, are stated at the original invested amounts in CDB plus pro-rata interest until the date of the balance sheet.

Recursos de Projetos:

The Institute receives financial resources from Donations, Agreements or Partnership Terms, maintained with National and Foreign Private Entities, in order to operationalize predetermined projects and activities, in accordance with the legal instrument entered.

The contracted amounts of projects and activities are initially recorded under the caption "Project resources receivable" as opposed to the item "Project resources to be realized". As funds are received, the write-off of the amount receivable is recorded. Also, as the projects and activities for which they are contracted are executed, the amount to be realized is written off against the Project Revenue item in the income statement.



Accompanying Notes to the Financial Statements December 31, 2023 Values in US\$

When there is a possibility of non-receipt of contractually due amounts of the Partnership Terms and / or Agreements, a provision for estimated losses (Allowance for Doubtful Account) is constituted.

	Revenue	Costs
Donors - Person and Company	\$ 487.247,48	\$ 134.405,16
Institute/Foundation	\$ 673.378,68	\$ 673.378,68
Government/Bilateral	\$ 552.086,39	\$ 552.086,39
Company	\$ 62.785,03	\$ 62.785,03
	\$ 1.775.497,58	\$ 1.422.655,26

Fixed Assets:

Property, plant and equipment items are stated at historical acquisition cost less depreciation and unrecoverable loss, if applicable.

Depreciation is calculated using the straight-line method over cost less the residual value of the asset over its useful life, which is estimated as follows:

Machinery and equipment - 10 years
Vehicles - 5 years
Furniture and fixtures - 10 years
Computers and peripherals - 5 years.

An item of property, plant and equipment is written off when sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the derecognition of property, plant and equipment (calculated as the difference between the net sale value and the book value of the asset) is included in the income statement when the asset is written off.

During the years ended December 31, 2023 and 2022, the Entity did not verify the existence of indicators that certain property, plant and equipment could be above recoverable value, and consequently no provision for impairment of property, plant and equipment was required.

The residual value and useful life of assets and depreciation methods are reviewed at the end of each year and adjusted prospectively, as appropriate.

Current Liabilities:

Current liabilities are stated at known or calculable values, including, when applicable, accrued interest up to the date of the balance sheet. When applicable, current liabilities are registered based on interest rates that reflect the maturity, currency and risk of each transaction.

Provisions:

A provision is constituted when a legal or presumed obligation resulting from a past event can be reliably estimated and it is probable that an economic resource shall be required to liquidate the obligation. Provisions are based on the best estimates of the risk involved and of expected future cash flows.

A provision for risks is constituted based on evaluation and quantification of lawsuits whose likelihood of loss is deemed probable in the opinion of Management and its legal advisors.

Accompanying Notes to the Financial Statements

December 31, 2023

Values in US\$

Measurement of Surplus or Deficit:

Revenues, expenses, and costs that comprise the result were calculated on the accrual basis. Project revenues are measured by fair value (as contracted – values received or receivable) and recognized when it is deemed probable that future economic benefits will flow to the entity and can thus be reliably measured. Income and expenses accruing to the Assets and Liabilities are recognized in the surplus or deficit.

Accounting Estimates:

The preparation of financial statements in accordance with accounting practices adopted Note 2 requires that the Entity's Management rely on judgement in making accounting estimates.

The liquidation of transactions involving such estimates may result in values that are different from those estimated, as a result of imprecisions that are inherent to the estimation process. The Entity revises estimates and assumptions at least annually.

5 Cash and Equivalents

	2023	2022
Current Accounts	1,341	45
Financial Investments	1,526,155	914,173
Total	1,527,496	914,219

6 Project Resource – to be received

	2023	2022
PNUD Project	-	77,188
Tinker Project	33,840	78,906
FCDO Project	5,093	312,368
Noruega Project	808,283	-
Ned Project	14,765	-
Total	861,980	468,462

7 Fixed Assets

	Rate	Cost	Accumulated Depreciation	2023	2022
Machinery & Equipment	10%	6,580	(3,521)	3,059	3,449
Furniture & Utensils	10%	11,276	(8,581)	2,695	2,231
IT Equipment	20%	37,469	(21,978)	15,491	5,215
Restricted Fixed Asset	20%	5,520	(1,328)	4,192	4,914
Total		60,844	(35,407)	25,437	15,808



Accompanying Notes to the Financial Statements
December 31, 2023
Values in US\$

8 Tax and Social Obligations

These correspond to taxes and obligations related to payroll and contractors that the Entity only collects and forwards to Government Bodies.

	<u>2023</u>	<u>2022</u>
COFINS own revenues	531	390
IRRF payroll	-	22
IRRF to collect	6	-
PIS/COFINS/CSLL to collect	19	-
Vacations to pay	-	211
Total	<u>556</u>	<u>623</u>

9 Suppliers

This group is stated at original nominal value and represents amounts owed to suppliers in general.

	<u>2023</u>	<u>2022</u>
Suppliers	-	452
Total	<u>-</u>	<u>452</u>

10 Project resources – to undertake

	<u>2023</u>	<u>2022</u>
Tinker Project	52,803	99,773
PNUD Project	-	51,566
Democracy is not made with guns Project	181,047	144,929
FCDO Project	4,698	309,428
IFA Project	1,299	-
Morning Rooster 2022 Project	6,952	39,107
OSF Citizen Project	2,797	31,891
Airbnb Project	-	2,492
Uber Violence Guide Project	-	25,815
Porticus 2023-2024 Project	162,130	-
Noruega 2023-2026 Project	831,373	-
Ned 2023-2024 Project	25,553	-
Uber Eva Project	28,509	-
Total	<u>1,297,162</u>	<u>705,001</u>

11 Social Provisions

In the year ended December 31, 2022, the Entity's management opted to extinguish and write off the balance of the provision for contractual termination.

	<u>2023</u>	<u>2022</u>
Vacation Provisions and Charges	3,964	7,689
Total	<u>3,964</u>	<u>7,689</u>



Accompanying Notes to the Financial Statements December 31, 2023 Values in US\$

12 Fixed Asset with Restriction

In compliance with the accounting standards applicable to non-profit entities, the acquisition of fixed assets with restricted resources was recorded separately from the other items of fixed assets at Igarapé.

These assets acquired for the execution of Project IFA, in accordance with the guidelines of the signed donation contract, are directly employed in the project's execution and, upon its completion, will be donated to the project's stakeholders. With the conclusion of the project in 2023, the Institute proceeded with internal procedures for the issuance of the necessary donation agreements for the appropriate accounting write-offs, which effectively occurred on January 02, 2024.

	<u>2023</u>	<u>2022</u>
Fixed Asset with Restriction	4,192	4,914
Total	<u>4,192</u>	<u>4,914</u>

13 Net Equity

Net Assets are being presented at updated values and comprised the surplus for the financial year plus contributed capital, on December 31, 2023.

	<u>2023</u>	<u>2022</u>
Contributed capital	733,616	479,433
Adjustments of Previous Period	-	(1,046)
Surplus for the Year	381,884	202,306
Total	<u>1,115,499</u>	<u>680,693</u>

14 Resources employment

The Entity invested all its resources in its institutional purposes, in accordance with its Bylaws demonstrated by its expenses and equity investments.

15 Surplus for the Year

The 2023's Surplus will be incorporated to Contributed Capital in accordance with legal and statutory requirements and as determined by CFC Resolution n. 1.409/2012 that approved ITG 2002, especially regarding to item 15, which states that the surplus or deficit of Not-For-Profit Entities shall be incorporated to their Contributed Capital.

16 Statement of Cashflows

The Statement of Cashflows was prepared in accordance with CFC Resolution n. 1.152/2009 that approved NBC TG 13 and, also with CFC Resolution n. 1.296/2010 that approved NBC TG 03 – Cashflow Statements. The Entity chose to prepare its cashflow statement using the indirect method.



Accompanying Notes to the Financial Statements December 31, 2023 Values in US\$

17 Tax Immunity

INSTITUTO IGARAPÉ is a tax-immune entity under article 150, item VI, sub-item “c” and paragraph 4, and article 195, paragraph 7 of the Federal Constitution of October 5, 1988. In accordance with the relevant legislation, the Institute complies with all requirements for the enjoyment of tax immunity.

The only Complementary Law that establishes requirements for tax immunity is the National Tax Code (‘Código Tributário Nacional – CTN’).

Article 14 of the National Tax Code establishes the requirements for enjoying tax immunity. These are included in the Entity’s bylaws and compliance with them can be proved by its accounting documents (Financial Statements, Daily Ledger, and Ledger), namely:

- No part of its net assets or income is distributed for any reason (article 4, paragraph 1 of the Bylaws);
- Its resources are fully employed, within the country, in line with its institutional objectives (article 30, paragraph 2 of the Bylaws);
- It maintains formally compliant accounting of its revenues and expenses that adequately ensures its precision (article 35 of the Bylaws).

18 Insurance coverage

Instituto Igarape no longer has its own headquarters, for this reason it did not proceed with contracting insurance for 2023 fiscal year.

19 Voluntários

During the year of 2012, the Federal Accounting Council approved ITG 2002 which mentions the need for accounting for “voluntary services” using the criterion of recognition of the fair value for providing the service as if the financial disbursement had occurred.

Igarapé measures the cost of volunteer work by researchers based on the salary practiced by the Entity and Board members in order to consider what would effectively be a financial outlay based on meeting minutes, accounted for in Income accounts.

	2023		2022	
	Quantity	Value	Quantity	Value
Pesquisadores	8	1,997	6	2,313
Conselheiros	8	3,178	9	2,555
Total	15	5,174	15	4,868

Accompanying Notes to the Financial Statements December 31, 2023 Values in US\$

20 Projects and Impacts

Climate Security Program

Monitoring and Disrupting Environmental Crimes and Related Offenses

The Amazon Basin is at the forefront of research at the Igarapé Institute, which in 2023 intensified the production of data, studies, and recommendations to combat the existing illegal activities in the region. These activities operate in an integrated manner, involving environmental crimes, violent crimes such as homicides, drug trafficking, economic crimes, crimes against public administration, as well as normative infractions and minor offenses. Addressing these issues has not been prioritized as necessary, particularly regarding preventive measures to be adopted by Amazonian countries, which need to act in a coordinated and integrated manner.

Last June, the Igarapé Institute launched the first publication in the "Follow the Money" series. Titled "Connecting Anti-Money Laundering Systems to Disrupt Environmental Crime in the Amazon", the study provides recommendations for effective regional action, such as information exchange between countries and clearer interaction between local rules combating money laundering and environmental crime. Exploring the connections between money laundering and environmental crimes was pioneering, and the debut of the series ignited debate on the topic, garnering attention in reports and articles in major national media outlets such as Folha de S. Paulo, Poder360 and Valor Econômico.

In July, the second publication of the series was released, titled "How Environmental Crime is Handled by Anti-Money Laundering Systems in Brazil, Colombia, and Peru", providing an analysis of the differences in the money laundering systems of Brazil, Colombia, and Peru and suggesting regulatory improvements in all three countries. Aligned with the first paper in the series, this publication made a significant contribution to advancing regional discourse on this critical issue. Additionally, the paper received extensive media coverage, including a feature in the renowned legal portal, Jota.

The research conducted by the Igarapé Institute has been presented to key stakeholders, contributing to their increased attention to the issue. For example, the National Strategy to Combat Corruption and Money Laundering (ENCCLA), consisting of 80 public institutions from the Executive, Legislative, and Judicial branches, as well as the Public Prosecutor's Office, announced that environmental crimes are among its priority topics for 2024.

In August 2023, in partnership with Insight Crime, the Institute launched the Strategic Article "Stolen Amazon: The Roots of Environmental Crime in the Triple Border Regions". This comprehensive study highlighted the main challenges in combating environmental crime, including issues such as resource scarcity and specialized corruption, as well as the significant impact on local communities, especially indigenous communities. The publication was cited in various media outlets, including Mongabay, Urgente 24, Finance Colombia, among others.

Our work also included combating socio-environmental conflicts and violence against forest peoples and defenders. With the research project "We Are Victoria-Regias," we mapped risks and vulnerabilities faced by 287 women leading the defense of human rights and the environment in the Amazon basin in Brazil, Colombia, and Peru. The results were presented at the Amazon Dialogues of the Amazon Summit, an event held in partnership with UN Women Brazil and the Zé Claudio and Maria Institute, which featured the participation and emotional testimonies of the defenders. The research was the subject of an article in the newspaper O Globo. Additionally, we launched protection guides for defenders in the three countries (Brazil, Colombia, and Peru). Furthermore, we produced a document outlining challenges and recommendations for the



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Amazon based on the input from these women, which garnered attention in the national press such as the report in O Globo.

The prioritization of environmental crime by the Ministry of Justice and Public Security and the Ministry of the Environment in Brazil.

The Igarapé Institute has been working directly with Ministers and their teams in Brazil, as well as in other Amazonian countries such as Colombia, Ecuador, and Peru. Throughout 2023, studies from the Institute were referenced in the national action plan of the Ministry of the Environment to reduce deforestation in the Amazon (PPCDAm) and influenced the national action plan of the Ministry of Justice and Public Security for the Amazon - (AMAS). The Amazon Safer Program (AMAS) is a technical cooperation agreement to accelerate public security in the Legal Amazon and was initiated at the request of former Minister Flávio Dino. Meanwhile, findings from our projects have also been shared with the Minister of the Environment, Marina Silva, and relevant statistics on environmental crime are routinely cited at public and private events.

Regional Cooperation for Standing Forests

In addition to mapping and understanding the scope, scale, and dynamics of environmental crime, the Igarapé Institute has been promoting solutions. In the Amazon, borders are porous, and environmental crime is a transnational issue. Therefore, we have been encouraging collaboration among Pan-Amazonian countries to seek solutions, engaging in dialogue with authorities and in public discourse, as evidenced by our contributions to outlets such as Al Jazeera.

In March, we hosted the event "Overcoming Environmental Crimes" in Manaus, the first in a series of regional consultations to identify challenges and opportunities for strengthening mechanisms of regional cooperation, in partnership with Interpol and the Ibero-American Association of Public Prosecutors (Aiamp). From this event, a Working Group was formed to address environmental crimes in the Amazon within the Red Jaguar - a network formed by environmental police from Ibero-American countries - as well as the integration of Red Jaguar with Aiamp, strengthening integrated work between police and public prosecutors. We have echoed the proposals resulting from discussions among environmental authorities, police, public prosecutors, and financial intelligence agencies in dialogues with national and regional key stakeholders. In June, Melina Risso, Director of Research of the Igarapé Institute, participated in a debate on security and geopolitics in the region at the 25th Forum of Governors of the Legal Amazon, held in Cuiabá (MT).

Additionally, we participated in the process of building the Amazon Summit, held in August in Belém do Pará. During the meeting, we achieved a milestone for which we have worked tirelessly over the past years: the inclusion of combating environmental crimes in the Belém Declaration, signed by the eight Amazonian countries. The Summit represented a significant step towards constructing a new model of prosperity for the Amazon.

The Igarapé Institute has also continued dialogue and technical cooperation with multiple partners from various countries to promote this regional cooperation. These partners include, in addition to Aiamp, the Brazilian Association of Members of the Environmental Public Prosecutor's Office (Abrampa), the Amazon Cooperation Treaty Organization (OTCA), the Colombian Institute of Hydrology, Meteorology, and Environmental Studies (Ideam), the Public Prosecutor's Office of Colombia, and the Intelligence Unit of Peru.

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Increasing transparency and traceability in the territories of the Amazon Basin and supply chains through data-driven technologies

Based on an analytical study, the Institute launched the Amazônia In Loco in January 2023, during its participation in the World Economic Forum, an interactive platform fueled by 25 databases and over 80 metrics related to land use, social, economic, and public security characteristics in 772 municipalities that make up the Legal Amazon. The tool is being utilized by the Brazilian National Development Bank (BNDES), as well as private banks and investors, to mitigate risks in territories for investment. Building on another assessment, the Institute supported the development of a tool focused on improving the traceability of illegal gold mining, called the Responsible Gold Purchase Platform (PCRO). The platform was designed to identify the "risk" of illicit gold entering legitimate supply chains.

Responsible Investment for a Green Transition

The Igarapé Institute actively collaborated on the Ecological Transformation Plan, a proposal by the Brazilian federal government to stimulate investments that improve the environment and reduce inequalities. The plan represents a unique opportunity for Brazil and the Global South to join the league of high-income nations on the planet. We were part of the task force that provided inputs for the plan and facilitated dialogues among various segments of society, both globally and in Brazil, on how to implement it.

In September, during the New York Climate Week, we organized a meeting - in partnership with A Concertation for the Amazon and the Brazil Climate, Forests, and Agriculture Coalition - where the Minister of Finance, Fernando Haddad, presented key points of the plan to an international group of opinion leaders and decision-makers from governments and civil society.

The plan was formally launched by Haddad at COP28, held at the end of the year in Dubai. During the conference, the Brazilian government also announced the Forever Tropical Forests Fund, a financing model for countries that preserve their forests. The Igarapé Institute participated in the summit by presenting solutions from its Climate Security Program extensively. Facilitating innovative finance mechanisms for nature was one of the topics we addressed. We launched the "Global Futures Bulletin – Global Incentive Mechanism for Protect Standing Forests", detailing a simple and intuitive global incentive compensation mechanism for individuals, entities, or states.

In December, we also signed a cooperation agreement with the Brazilian Business Council for Sustainable Development (Cebds) and JGP Credit Management to unlock financial flows for sustainable initiatives that leave a tangible legacy of the Brazilian business sector in Belém and/or the Legal Amazon region at COP30, the UN Climate Conference, which will take place in the capital of Pará in 2025. The Igarapé Institute will provide support in the design, implementation, monitoring, and evaluation of selected green finance initiatives.

The institute has also been addressing challenges arising from the energy transition. For instance, Brazil, and more specifically, the Amazon, holds a significant portion of the world's reserves of niobium, graphite, and nickel - minerals essential for a decarbonized world. However, there is still no clarity on how the country will address this issue and responsibly engage in these global markets. In October, we released the report "Brazil's Critical and Strategic Minerals of Brazil in a Changing World" to contribute to this discussion.

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International Cooperation and Engagement at the United Nations

Many of our efforts related to climate and nature have been presented in high-level spaces where experts are thinking about how to ensure and redesign the future of the world. An example of this is the participation of Ilona Szabó, co-founder and president of Igarapé, in the High-Level Advisory Board on Effective Multilateralism (HLAB).

The Advisory Board was appointed by the UN Secretary-General, António Guterres, and is composed of 12 strategic leaders. Ilona Szabó is the only Latin American representative. The group has been making concrete suggestions for more effective multilateral arrangements on important global issues such as the climate crisis, increasing inequality, and growing threats to democracies.

In April 2023, the HLAB released the report "A Breakthrough for People and the Planet: Effective and Inclusive Global Governance for the Present and Future", an ambitious plan to reshape global governance and ensure that the multilateral system is better positioned to address current and future challenges, from the climate crisis to the lack of financing for sustainable development. The recommendations will be discussed at the Future Summit in September 2024.

An important contribution from Ilona Szabó to the group was the idea of creating a global incentive mechanism – paying individuals, entities, or even states to preserve forests – a system that pays annually for each hectare of preserved forest. She had participated in discussions on the topic at the World Economic Forum and co-authored articles with Tasso Azevedo from MapBiomas, published in Project Syndicate and Valor Econômico.

We also attended the Global Solutions Summit, an international conference where we discussed the importance of networked multilateralism, in May. Additionally, in September, we participated in the SDG Action Weekend, one of the most important events during the UN General Assembly High-Level Week. Ilona participated in a panel alongside UN Secretary-General António Guterres on monitoring, support, and accountability of leaders in achieving the Sustainable Development Goals (SDGs) Agenda 2030.

Ilona is also a member of the Global Future Councils network, where she co-leads the council focused on the Future of Nature and Security. Organized by the World Economic Forum, the network discusses overcoming challenges that continue to hinder economic growth and human development. In October, Ilona attended the network's first in-person annual meeting in Dubai.

Public Safety

Rebuilding and Strengthening Security Policies

After years of dismantling gun control policies in Brazil, 2023 represented a year of reconstruction. The Igarapé Institute helped to improve public policies by providing technical support and expertise to the federal government, notably contributing to the creation of the new arms decree published in July, which marked an important step towards reinstating responsible parameters. Alongside 30 other organizations, we signed a document analyzing the changes in the decree. We also published an opinion article on the topic in the newspaper O Globo.

Our analyses related to the topic in 2023 also included the launch of the "What weapon is this?" transparency ranking of firearm data, in partnership with Open Knowledge Brasil. This ranking assesses the quality of information provided by the 27 federal units. The significant lack of responses to data requests by Igarapé exposed a culture of secrecy within state public security agencies, as highlighted in a report by Jornal da Globo, from TV Globo.



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Igarapé also continued its broader work related to public security. We returned to the National Public Security Council, reinstated by the Ministry of Justice in December. Additionally, we collaborated to enhance public policies in Pernambuco, providing technical support to the state.

We also continued our work related to the care of individuals leaving the prison system. In July, we supported the launch of the National Network for Attention to Individuals Leaving the Prison System (Renaesp) by the National Council of Justice. The aim is to promote the exchange of experiences from state networks, focusing on providing support to individuals in their post-prison journeys.

Violence against Women

We continued to consolidate and update data related to violence against women through the EVA platform (Evidence on Violence and Alternatives for Women and Girls). We analyzed the various forms of violence affecting them and trends over the past five years in Brazil, Mexico and Colombia. Studies related to EVA were featured in a report on UOL Universa.

Digital Security

Identification and mitigation of risks related to digital threats

The Igarapé Institute continued its efforts related to digital security, focusing on two themes that have been demanding global attention: mitigating risks related to the use of predictive technologies and combating disinformation.

While the development of predictive technologies using artificial intelligence holds the promise of greater efficiency and scale, there are several dangers associated with their use concerning human rights violations and privacy. Additionally, there are significant differences among various parts of the world when it comes to governance related to AI.

In 2023, we established the Global Task Force on Predictive Analysis for Security and Development in partnership with New America, bringing together thinkers, professionals, and human rights advocates to assess the outcomes of using these technologies and develop recommendations for their implementation. In May, Ilona Szabó participated in a meeting with Sam Altman, the executive of the artificial intelligence startup OpenAI, responsible for ChatGPT, promoted by the Institute of Technology and Society (ITS Rio), and co-authored an article in Foreign Policy on the topic alongside Robert Muggah, Chief Innovation Officer of Igarapé.

In the fight against disinformation, our Disinformation Pulse report was the subject of events at the Brazilian Center for International Relations (Cebri) and at Harvard University, discussing how to apply the lessons learned from the 2022 Brazilian.

Rio de Janeiro, December 31, 2023.

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