Early Warning System

GCF-FP301

Responsible Commodities Facility - Deforestation and Conversion Free: Finance for soy production in the Cerrado, Brazil (RCF-DCF Project)

Quick Facts

Countries	Brazil
Financial Institutions	Green Climate Fund (GCF)
Status	Approved
Bank Risk Rating	B
Voting Date	2026-03-28
Borrower	Sustainable Investment Management Ltd.
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 85.00 million
Loan Amount (USD)	$ 85.00 million
Project Cost (USD)	$ 425.00 million

Project Description

As stated by the GCF, Brazil's Cerrado, one of the world's most biodiverse savanna ecosystems and a critical carbon sink, is facing increasing pressure from agricultural expansion, particularly soy production. Soy farmland expanded from 13 million hectares in 2000 to 44 million hectares in 2023, making it a major driver of deforestation and land conversion in the region. Agriculture and land-use change together account for more than 60 per cent of Brazil's greenhouse gas emissions. As a result, more than half of the Cerrado's native vegetation has already been cleared, leading to loss of biodiversity, degraded water systems, and greater vulnerability of farming communities to climate risks such as droughts, heatwaves, and changing rainfall patterns. While national regulations such as the Forest Code exist, enforcement remains limited, and farmers often lack financial incentives to conserve native vegetation, particularly as around 70 per cent of the remaining natural habitat lies on privately owned land.

The RCF-DCF Programme seeks to address these challenges by aligning financial incentives with landscape protection in the soy sector. The initiative supports deforestation- and conversion-free crop financing for soy producers in the Cerrado through a dedicated climate-focused investment structure. It includes a USD 85 million impact fund alongside additional co-investment vehicles designed to mobilise larger pools of capital.

Through customised credit lines, farmers will be enabled to forgo converting native vegetation and to support a shift in soy production business models towards landscape protection. By linking agricultural finance to conservation outcomes, the programme aims to protect native vegetation, reduce emissions from land-use change, and support more sustainable soy production systems across the Cerrado landscape.

The programme represents a first-of-its-kind attempt to use a scalable payment-for-ecosystem-services model for farmers in a region facing acute deforestation pressures. It was developed under GCF's Project-specific Assessment Approach (PSAA).

Investment Description

- Green Climate Fund (GCF)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Sustainable Investment Management Ltd. (Financial Intermediary)

Private Actors Description

As stated on the financial intermediary's LinkedIn profile, Sustainable Investment Management Ltd (SIM) is an environmental finance advisory firm. We are based in London and Rio de Janeiro, with the objective to promote the financing of activities that result in positive environmental impacts. Designers of Responsible Commodities Facility (RCF) an initiative to promote the production and trade of deforestation and conversion free (DCF) soy from Brazil, preventing negative climate impacts and loss of habitat.

Contact Information

Designated national authority - Secretariat for International Affairs, Ministry of Finance (Brazil):

Address: Esplanada dos Ministérios, Bloco P, 6° andar, Brasilia, Brazil
Email: AND.GCF@fazenda.gov.br

Dr. Mathias Jourdain de Alencastro - Secretary for International Affairs

Mr. Ivan Tiago Machado Oliveira - Deputy Secretary for Sustainable Development Finance
Phone: +556131422202

Ms. Livia Farias Ferreira de Oliveira - Operational Focal Point, General Coordinator for Sustainable Finance
Phone: +55 (61) 33412-1702
Email: livia@oliveira@fazenda.gov.br

Ms. Luana Magalhães Duarte de Araújo - Operational Focal Point

ACCESS TO INFORMATION

Requests for project information may be submitted using the IDP Request for Information by email to: disclosure@gcfund.org.

You can also submit an information request using this online form: https://www.greenclimate.fund/about/disclosure/form. Additionally, if information requested is denied, an appeal can be filed to the Information Appeals Panel: iap@gcfund.org. You can learn more about the Information Appeals Panel at: https://www.greenclimate.fund/about/disclosure/appeals.

ACCOUNTABILITY MECHANISM OF GREEN CLIMATE FUND

The Independent Redress Mechanism (IRM) addresses complaints by people who believe they are negatively affected or may be affected by projects or programmes funded by the Green Climate Fund (GCF). The complainant can raise issues related to any of GCF’s policies and procedures, including those relating to social and environmental issues, indigenous peoples, gender, and information disclosure, among others. If you submit a complaint to the IRM, it may seek to address the issues raised by facilitating problem solving or conducting a compliance process. You can learn more about the Independent Redress Mechanism and how to file a complaint at https://irm.greenclimate.fund/.

You can access a video about the IRM (English) at: https://youtu.be/1LanbriVhfs.

A brochure about the IRM can be accessed in English, French, Spanish, Portuguese, Arabic, Mandarin, Mongolian, Vietnamese, Russian, Ukrainian, Korean, German, and Kiswahili at: https://irm.greenclimate.fund/.

Bank Documents

- Approved funding proposal
- Environmental and Social Safeguards report
- Gender action plan
- Gender assessment