* SESQUICENTENNIAL OF THE NATIONAL EPIC: 1864-1870*. PRESIDENCY OF THE REPUBLIC OF PARAGUAY MINISTRY OF INTERNAL AFFAIRS DECREE N° 9136

BY WHICH THE NATURAL RESERVE CALLED "TOLDO CUE" IS DECLARED AS A PROTECTED WILD AREA UNDER PRIVATE DOMAIN.

Translator's remark: There are stamps and signatures on all sheets of the document except the first one.

Translated in Asuncion, March 13, 2023

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BY WHICH THE ENVIRONMENTAL SERVICES OF NATURAL FORESTS ARE CERTIFIED WITHIN THE FRAMEWORK OF LAW NO. 3001/06 "OF VALUATION AND RETRIBUTION OF ENVIRONMENTAL SERVICES" IN THE PROPERTY BELONGING TO MR. CASTO JAIME CRISTALDO PRESSER, LOCATED IN THE DISTRICT OF GENERAL JOSÉ MARÍA BRUGUEZ, DEPARTMENT OF PRESIDENTE HAYES.

Asunción, November 28, 2022

IN VIEW OF: The Note registered under File SIAM 1370-DSA-3433/2022; the Mission Report No. 27/22 of Prior On-Site Verification; DMT Note No. 27/2022 dated October 31, 2022 of the Technical Mechanism Department, under the Directorate of Environmental Services; the Opinion A.J. No. 1183/2022 dated November 28, 2022, of the Directorate of Legal Counsel of the General Secretariat, and;

WHEREAS, the Note submitted to the Ministry of Environment and Sustainable Development (MADES) by means of which documents are presented requesting the certification of natural forests within the framework of Law No. 3001/06, to be carried out in the property of Mr. Casto Jaime Cristaldo Presser identified as Farm No. 4,092, and Register No. 14,494, located in the District of Gral. José Maria Bruguez, Department of Presidente Hayes.

That, in the recommendations of the Verification Mission Report No. 27/2022, it refers, among other points: "...the projected area for forest certification applied to Law No. 3001/06 is 654.88 hectares (six hundred and fifty-four hectares, with eight thousand eight hundred square meters)...".

Whereas, Law No. 3001/06 "On Valuation and Remuneration of Environmental Services", Decree No. 10247/07 "Which partially regulates articles 1°, 2°, 4°, 5°, 6°, 7°, 8°, 9°, 10, 12 and 13 of Law No. 3001/06 "On Valuation and Remuneration of Environmental Services" are in force for the purposes set forth in article 2 of Law No. 3139/06 "Which extends the validity of articles 2 and 3 and extending Law No. 2524/04, On the Prohibition in the Eastern Region of the Activities of Transformation and Conservation of Surfaces with Forest Cover" and Resolution SEAM No. 199/13 "Whereby the Conditions and Requirements to Certify the Environmental Services Produced by Forests are Established, as well as the Conditions and Requirements for the Acquirers of Forest Environmental Services Certificates to use them to Compensate the Deficit of the Legal Reserve of Natural Forests, in accordance with Laws No. 422/73 and No. 3001/06".

That, Law No. 3001/06 of reference when regulating the regime for the certification of environmental services, provides as criteria to be taken into account in the definition of the environmental services regime, among others in its Art. 3° Section a), that it: "...a) It shall include the different types and modalities of environmental services identified..."; furthermore, it establishes in its Art. 5° that the owners or possessors of elements of nature that contribute to the generation of environmental services, shall be entitled to the corresponding retribution for the services rendered...".

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That, likewise, Section 7 of Law No. 3001/06 provides that: "...an Environmental Services Certificate shall be issued, to be obtained by individuals or legal entities that, by virtue of the project to be executed or the activity to be carried out, are obliged to invest in environmental services; as well as by any other individual or legal entity, national or foreign, interested in providing such services or in paying for a third party to provide them, under the conditions set forth in this Law".-

Resolution No. 611/17 "Whereby the requirements and general conditions to adhere to the environmental services regime in the framework of Law No. 3001/06 "Valuation and Remuneration of Environmental Services" are established".

That, in accordance with SEAM Resolution No. 199/13 in its Art. 2° which establishes that the following areas of forests in addition to the legal reserve of natural forests provided for in Law No. 422/73 "Forestry" will be considered as "areas of natural forests or reforestations of native species in addition to 25% of the natural forests existing on December 17, 1986 in rural properties of more than twenty hectares will be considered as "areas destined for environmental services", in accordance with the provisions of Art. 5 section e) of Law No. 1863/01 "Agrarian Statute": 1) The areas of natural forests or reforestations of native species in addition to 25% of the natural forests existing on December 17, 1986 in rural properties of more than twenty hectares....

That, according to the request made, the property of Casto Jaime Cristaldo Presser, identified with Farm No. 4,092, and Registry No. 14,494, located in the District of Gral. José Maria Bruguez, Department of Presidente Hayes, and according to the corresponding reports, has an area of 654.88 hectares (six hundred and fifty-four hectares, with eight thousand eight hundred square meters) of natural forests to be certified.

That, through Decree No. 11202 dated June 11, 2013, Art. 11 of Law No. 3001/06 is partially regulated. This Decree by regulating Article 11 of Law No. 3001/06, establishes the mechanism to advance in the regulation of Art. 8° of the mentioned Law and establishes in its Art. 9° that: "the term of five (5) years, as validity of the Environmental Impact Statements that certify areas destined to Environmental Services, such term may be extended in case of sufficient technical justification...".

That, from the results of the reference file, it appears that the project in question complies with the technical and legal requirements necessary for certification.

In Art. 1° is established the nominal value of the environmental services certificates for the Ecoregions, and where it is established that for "Humid Chaco" corresponds the allocation of Gs. 2,517,405 (Guaraníes two million five hundred and seventeen thousand four hundred and five), per hectare, applicable to the present request....

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In this regard, Resolution No. 04/05 is in force, which approves the National Environmental Policy (PAN), which constitutes the set of objectives, principles, criteria and general guidelines for the protection of a society's environment, in order to guarantee the sustainability of development for present and future generations (No. 2.1.), including as one of its specific objectives "...To promote and articulate projects for the conservation and sustainable use of biodiversity" (No. 2.1.).

That, consequently, and based on the regulations in force on the matter, it is appropriate to certify the 654.88 hectares (six hundred and fifty-four hectares, with eight thousand eight hundred square meters) of natural forests located on the property of Mr. Casto Jaime Cristaldo Presser, as areas for environmental services for a period of 5 (five) years, subject to compliance with the monitoring and auditing obligations, and the maintenance of the quality and quantity of natural resources.

That, on the other hand, the Technical Mechanism Department, under the Directorate of Environmental Services has issued DMT Note No. 27/2022 dated October 31, 2022, which states the following: "...It has complied with the requirements of LAW N° 3001/06 Article 4.- The bidders who wish to enter the Environmental Services Regime, must have the Environmental Impact Statement (EIS), foreseen in Law N° 294/93 "ENVIRONMENTAL IMPACT ASSESSMENT. "O Note of No Requires" "RESOLUTION DGCCARN N° 1159/2022, whose proponent is Mr. Casto Jaime Cristaldo Presser, identified with Farm N° 4.092, and Padrón N° 14.494, located in the District of Gral. José Maria Bruguez, Department of Presidente Hayes and from the technical point of view, it is recommended the adhesion to the Environmental Services Regime with an area of 150,21 ha (one hundred and fifty hectares with two thousand and one hundred square meters)..."

That, according to Opinion A.J. No. 1183/2022 of the Legal Counsel's Office, it states: "...therefore, if the project presented is supported by the technical guidelines of the matter, it is recommended to print the administrative procedures, with the proviso that this Legal Counsel's Office has undertaken the formal analysis of the same...".

That, Law No. 1561/2000 "Which creates the National Environmental System, the National Environmental Council and the Secretariat of the Environment", provides in Section 18, paragraph g) The functions and attributions of the Executive Secretary are: "to dictate all resolutions necessary for the achievement of the purposes of the Secretariat, being able to establish the internal regulations necessary for its operation".

That, by Law No. 6123/2018 "Raises the Secretary of the Environment to the rank of Ministry and renamed the Ministry of Environment and Sustainable Development".

That, Decree No. 140 dated August 29, 2018, appoints Mr. César Ariel Oviedo Verdún, as Minister of Environment and Sustainable Development.

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That, Decree No. 8377 dated November 24, 2022, designates Mr. Gustavo Ruiz Díaz, Director of Cabinet, as the person in charge of the Office for the duration of the Absence of the Minister, from November 25 to 30, 2022.

THEREFORE, in exercise of its legal powers,

THE MINISTER OF THE MINISTRY OF ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

RESOLVES:

Art. 1°.- TO CERTIFY as areas destined to environmental services a total of 654.88 hectares (six hundred and fifty-four hectares, with eight thousand eight hundred square meters) Farm No. 4092, and Register No. 14494, located in the District of Gral. José Maria Bruguez, Department of Presidente Hayes, and whose ownership corresponds to Mr. Casto Jaime Cristaldo Presser based on the considerations set forth in this Resolution.

Art. 2°.- AUTHORIZE Mr. Casto Jaime Cristaldo Presser or whoever succeeds him in the ownership of his property to enter into contracts on the certified areas during the entire period of validity. All contracts entered into must be registered according to current regulations before the Environmental Services Directorate of MADES.

Art. 3°.- PROVIDE that it has an area of 654.88 hectares (six hundred and fifty-four hectares, with eight thousand eight hundred square meters) of natural forest, with a duration of 5 (five) years subject to the maintenance of the quality and quantity of natural resources, with a nominal value per hectare of Gs. 2,517,405 (Guaranies two million five hundred and seventeen thousand four hundred and five) according to Resolution SEAM No. 1093/13, belonging to the ecoregion "Humid Chaco".

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Art. 4°.- INFORM that this certification does not authorize the holder of the certified areas to trade them in the capital markets or to offset taxes of any kind, until such time as the certificates are converted into freely negotiable securities once the regulatory standards allow it. -----

Art. 5°.- COMMUNICATE to those involved and, once complied with, have it filed.

Translator's remark: There are stamps and signatures on all sheets of the document.

Translated in Asuncion, March 13, 2023

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