



BRAZILIAN COALITION
ON CLIMATE, FORESTS AND AGRICULTURE

HOW THE PRIVATE SECTOR USES DEFORESTATION DATA

Coalition survey identified companies' applications and concerns

The Deforestation Data Task Force, of the Brazilian Coalition on Climate, Forests and Agriculture's Deforestation Forum, invited companies to respond a questionnaire on how the private sector uses deforestation data for decision-making in its operations and, above all, what the gaps and major concerns are in using this information. The responses were sent virtually between October and December 2020.

About 70 participants from 60 different private sector institutions (agro-industry and forestry), financial institutions, specialized consulting firms that serve companies in these sectors and also research institutes, government and non-governmental institutions submitted their answers. **The purpose of the mapping is to identify possible actions in which the Forum can engage to help improve private sector's effort in combating deforestation through the use of this data.**

DATA USAGE AND PROFILE

PARTICIPANTS

70 participants

60 different private sector institutions

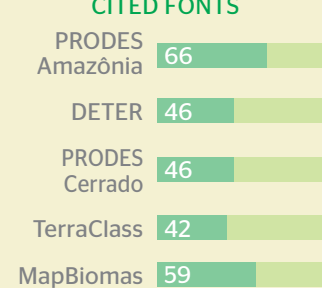
SECTORS

- Agro-industry
- Forestry
- Finance
- Specialized consulting companies serving companies in these sectors
- Research Institutes
- Government Institutes
- Non-government Institutes

DATA USED

90% of the participants already use deforestation data in their decision-making process

% OF MOST CITED FONTS



42% use data from secondary sources produced by partnerships or consultancies

FREQUENCY AND FORMAT

24% of the participants use this data on a daily basis

25% of participants use this data on a monthly basis

68% use data in spatial format for analysis

65% use aggregate data at the municipal level for reference

PURPOSE

64% use for evaluating regions for the implementation of new businesses

36% supplier monitoring

25% monitoring of productive areas owned by the company

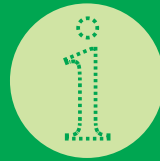
23% credit risk assessment

20% credit portfolio monitoring

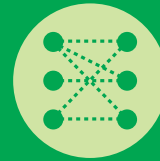
PRIVATE SECTOR CONCERNS



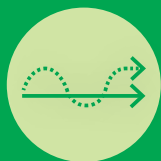
THERE IS AS LACK OF INFORMATION ABOUT THE OCCUPANT (CPF/CNPJ) OF AREAS WITH DEFORESTATION



LACK OF INFORMATION TO VERIFY THE LEGALITY OF DEFORESTATION



DISTRESS IN CROSSING DEFORESTATION DATA WITH OTHER INFORMATION



SIMPLIFICATION REQUIRED IN AVAILABILITY AND ACCESS TO DATA



QUESTIONS ABOUT DATA UPDATE, SCALE OR DETAILS



QUESTIONS ABOUT THE CREDIBILITY OF OFFICIAL DATA

DATA USED

Most participants reported that their institution **already uses deforestation data** in decision-making processes (90%) and the most cited **data sources** was the official one produced by INPE: **PRODES Amazonia** (66%), **DETER** (46%), **PRODES Cerrado** (46%) and **TerraClass** (42%). Moreover, more than half cited using **MapBiomias** data (59%), a collaborative initiative in network formed by NGOs, universities and technology companies. It is noteworthy that almost half (42%) reported using **data from secondary sources**, produced by partnerships or consultancy companies, that provide the data already analyzed or cross-checked with other information, as is done, for example, by the Soy Working Group (GTS, in the Portuguese acronym) and by the Green Grain Protocol from Pará state.

FREQUENCY AND FORMAT

On the frequency of use, one in four (24%) participants reported that they use this data **on a daily basis** and a similar fraction (25%) said they use it **monthly**, most of which use **spatial format** data for an analysis with other information (68%) and **aggregate data at municipal level** for reference (65%).

PURPOSE

The diversity in the purposes of using the data was a major highlight that reinforced the importance of this type of information. The most mentioned purposes were: use for **evaluating regions to implement new business or operations** (64%), **supplier monitoring** (36%), **monitoring productive areas of company ownership** (25%), **credit risk assessment** (23%) and **credit portfolio monitoring** (20%). They also mentioned the use to estimate **greenhouse gas emissions**, analyze **regional deforestation risks**, build **communication** arguments and **institutional position papers** and elaborate **scenarios for soybean and livestock expansion**.

CONCERNS

Concerns and distresses in the use of the data mentioned by the participants, which is the major target of the survey, were divided, generally, into six lines.

One of the most cited concerns is the **lack of information to verify the legality of deforestation**, telling the authorized (legal) from the illegal ones apart. Participants argued that this differentiation is key when it comes to identifying illegal clearing of areas and could reduce speculation on the subject and converge government efforts. The Brazilian Coalition has recently highlighted the importance of transparency and availability of Vegetation Suppression Authorizations (or deforestation permits), to attest the legality of deforestation, as one of the **"Actions for Prompt Deforestation Halt"**.

Another distress pointed out by several participants is **crossing deforestation data with other information**. Information mentioned include crossing data from specific productive activities, such as soy and pastures; infrastructure data, such as silos, crushers, meatpackers; bank financing data; consolidated areas; recovered areas; impact on biodiversity and water.

The most frequently mentioned distress is **to obtain information about the occupant (CPF / CNPJ) of deforested areas**, since the CAR (Rural Environmental Registry) makes this information available only in the states of Mato Grosso and Pará and, even so, only through individual consultation. A suggestion has also been made to create a platform that issues negative clearance of deforestation.

In addition to the cross-section, some participants report that **streamlining the disclosure and access to this information** with data already processed and aggregated on a monthly basis is required; for example, so that they can incorporate use and analysis into the company itself and avoid relying on hired specialized partners. This demand may explain why over 40% of participants reported using already analyzed data as provided by partners or service providers instead of directly accessing the source.

Another type of reported distress is in regards to **data updating, scaling, or detailing**. Concerns were raised about the accuracy and resolution of the available data, which are necessary for consultations on the property scale. There were also concerns on metadata (information related to deforestation data) at the exact date the deforestation took place and the availability of data on deforestation in biomes such as Pampa, Pantanal, Atlantic Forest and Caatinga. Finally, some participants also raised concerns about **official data credibility**, due to the risk of political interference in the agencies responsible for generating this information.

NEXT STEPS

We already have elements to help provide answers and clarifications to some of the main concerns on data use raised by the participants, but there are others that still need to be addressed. From now on, the Deforestation Data Task Force is going to discuss the next steps that can help resolve these questions and stimulate the use of deforestation data by the private sector.

The Deforestation Data Task Force, of the Brazilian Coalition on Climate, Forests and Agriculture's Deforestation Forum, thanks all those who contributed to this survey.



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