

**BRAZILIAN  
COALITION**  
ON CLIMATE  
FORESTS AND  
AGRICULTURE  
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POST-PARIS AGREEMENT

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PATHWAYS FOR  
IMPLEMENTING  
LOW-CARBON  
ECONOMY

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# EDITORIAL

**Post-Paris Agreement - Pathways for implementing Low-Carbon Economy** is a publication by the Brazilian Coalition on Climate, Forests and Agriculture (Coalizão, Brasil, Clima, Florestas e Agricultura). **Advisory Group:** Alexandre Prado (WRI/Brazilian Coalition), Ana Carolina Szklo (CEBDS), André Guimarães (Ipam), João Paulo Capobianco (IDS), Carlos Nomoto (WWF Brazil), Carlos Rittl (Brazilian Climate Observatory), Carlos Roxo (Fibria), Celina Carpi (Ethos Institute), Elizabeth de Carvalhaes (Ibá), Elizabeth Farina (Unica), Fátima Cardoso (Solidaridad Network), Guilherme Leal, Gustavo Junqueira (SRB), João Adrien (SRB), Luiz Cornacchioni (Abag), Marcelo Furtado (Arapyaú Institute), Marcelo Vieira (SRB), Marina Grossi (CEBDS), Miriam Prochnow (Brazilian Forest Dialogue), Rachel Biderman (WRI Brazil), Roberto S. Waack (Amata), Sergio Mindlin (Ethos Institute), Tasso Azevedo (MapBiomass and SEEG/Brazilian Climate Observatory)

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# INTRODUCTION

It is no longer about fighting for a cause, but rather, the accomplishment of a commitment that can no longer be postponed. Based on this clear perception, the Brazilian Coalition on Climate, Forests and Agriculture – a movement launched officially in June 2015 – concludes its first year of work and presents to the society a summary of the pathways that are expected to help Brazil in its challenge to meet the goals agreed by the Paris Climate Agreement.

In other words, this publication is a project that advises about the mitigation and adaptation to the growing challenges of climate change, with competitiveness, productivity, social inclusion, income and job generation, forests conservation and biodiversity preservation. The Brazilian Coalition has emerged from this perception of the world as a multi-sector movement not previously envisaged, a rich arena of articulation and connection for different voices. It is composed of more than 130 companies, civil society organizations, sectoral associations and research centers that understand the urgency of combining their efforts to promote the real and positive changes that the country needs, but with a new proposal – one that is participative, creative and dynamic –, that preserves natural resources, and is the basis for a consistent, responsible and long-term development.

At its official launch, on 06/24/2015, the

Brazilian Coalition presented 17 proposals in three basic areas: agriculture & livestock, forests and energy. The proposals involve actions such as compliance with the Forest Code, creation of carbon valuation mechanisms, incentives for an economy based on the rainforest, and increased use of biofuels. They also guide the advocacy in relation to public authorities, international cooperation and communication of low-carbon economy premises for society as a whole. On this basis, the Brazilian Coalition has endeavored to expand the ambitions of Brazil's goals for the Paris Agreement, which aims to limit the planet's average temperature increase to 2 °C until 2100, with efforts to keep it under 1.5 °C. On December 2015, the historical agreement was signed by 195 countries during the UN Conference on Climate Change, COP 21, held in Paris. From that moment on, the Brazilian Coalition assumed a new mission: to create favorable conditions so that the country's commitments (initially referred to as INDC, and then as NDC, following the ratification of the treaty) can be implemented. To that end this publication lists seven short-term goals, followed by a series of other arrangements required in the path taken by Brazil and the world towards a sustainable future for all of us.

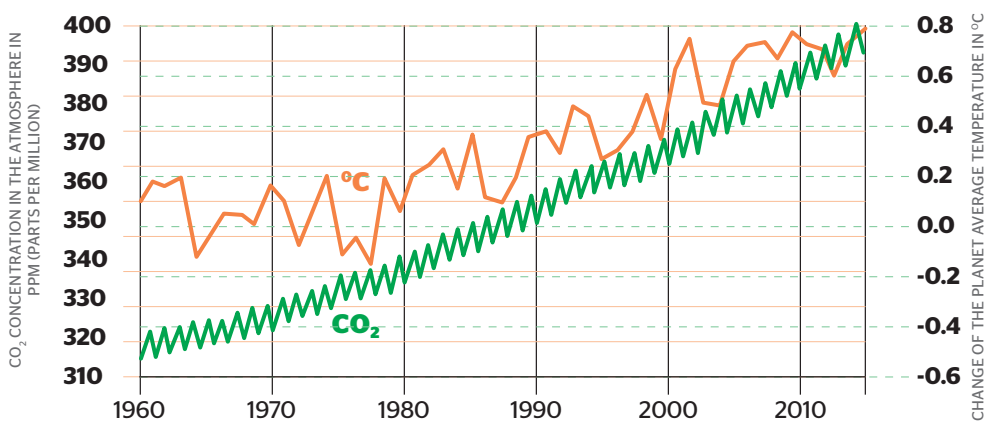
**BRAZILIAN COALITION ON CLIMATE, FORESTS AND AGRICULTURE**  
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# A PROJECT FOR A MORE SUSTAINABLE, COMPETITIVE AND INCLUSIVE COUNTRY

Solutions for the effects of climate change not only involve reducing the risks brought by it, but also the creation of opportunities in technological innovation, trade competitiveness, preservation of natural resources and social benefits. Brazil can be a key player in these areas, particularly with regard to agriculture and forests, thus making it a country with a new model for economic development.

## WHAT MUST BE DONE

The chances of keeping the increase in global average temperature below 2 °C until 2100 will be above 50% only if global greenhouse gas (GHG) emissions are limited to a maximum of 1,000 GtCO<sub>2</sub>e (gigatons of carbon dioxide equivalent) until the end of this century. Therefore, global emissions must fall from the current 50 GtCO<sub>2</sub>e per annum to a range between 30 and 15 GtCO<sub>2</sub> yearly. Otherwise this limit will be exceeded within two decades.



The main gases that cause the greenhouse effect are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). Emissions are converted into equivalent carbon dioxide (CO<sub>2</sub>e). GHG concentrations in the atmosphere have increased from 280 ppm (parts per million) to over 400 ppm since the Industrial Revolution. The chance of keeping the increase in global average temperature below 2 °C is two-thirds only if this concentration does not exceed 450 ppm. The temperature has already risen 0.8 °C.

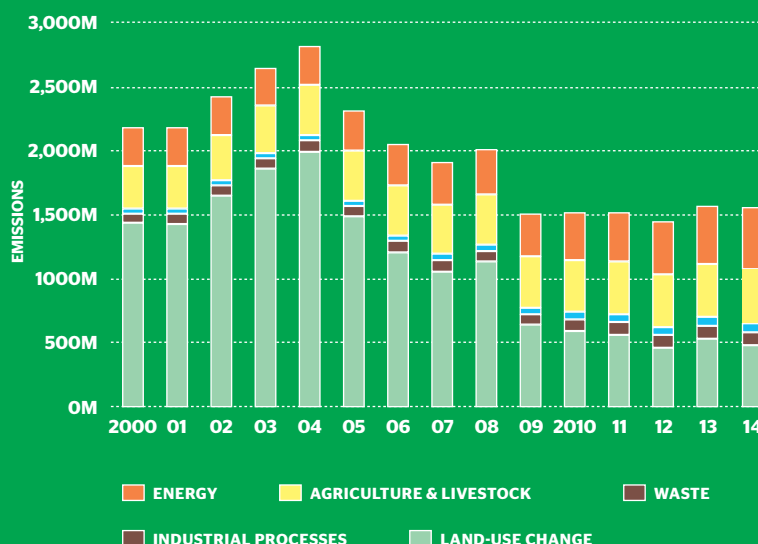
## GOALS OF EMISSION REDUCTION

At the Paris Agreement, Brazil agreed to reduce GHG emissions by 37% by 2025 and by 43% until 2030, compared to 2005. However, the third national emission report, published in May 2016, shows that Brazil's total emissions in 2005 were greater than those previously estimated. This requires a review of the goals and that the country meets at least the absolute reduction goal, which lowers emissions to 1.3 GtCO<sub>2</sub>e per annum by 2025 and 1.2 GtCO<sub>2</sub>e by 2030.



## BRAZIL'S CHALLENGES

Changes in land use (deforestation) is the largest source of gross GHG emissions in the country, followed by energy and agriculture & livestock



✓ There was a 79% reduction in the Amazon deforestation between 2014 and 2015, but the logging area has been stable in the last five years, reaching around 5,500 km<sup>2</sup>/year. In 2015, it reached 5,831 km<sup>2</sup> with emissions of 282.8 million of tCO<sub>2</sub>e.

Sources: Brazilian Coalition, Ipam, Nasa Earth Observatory, Scripps CO<sub>2</sub> Program and SEEG

# BRAZIL'S ROLE IN THE WORLD CONTEXT

Due to its natural resources and economic potential, Brazil is of significant relevance in the global scenario. This is a responsibility involving society, government and business.



Brazil is among the **ten** largest global emitters of GHG.

It is home to **12%** of the planet's forests. It is the largest stock of the planet's biomass (carbon).

**60%** of its territory is still covered by native forest and vegetation; however they are not protected effectively.

A significant part of the increased **food production** needed in the world will come from Brazil by the middle of the century.

## BRAZIL'S GOALS AT THE PARIS AGREEMENT (BY 2030)



To restore 15 million hectares of degraded pastures.



To implement the integrated crop-livestock-forest system in 5 million hectares.



To restore and reforest 12 million hectares of forest for multiple purposes.



To eradicate illegal deforestation in the Amazon.



To achieve an 18% biofuel participation in the energy matrix.



Increase the share of renewable energies (other than hydropower) in the electric energy supply to 23%.

- ✓ Brazil has less than 3% of the global forest products market. Increasing this activity through sustainable forest management will avoid pressure due to deforestation and forest degradation.
- ✓ Resuming and expanding the scale of production of biofuels and bioelectricity will assure greater participation of renewable energy in the energy matrix.

- ✓ Creating and enhancing carbon valuation mechanisms and payments for ecosystem services contribute to the preservation of forests and promote social and economic benefits for surrounding communities.
- ✓ It is paramount to put the Forest Code into practice and that the agricultural sector continues its innovation process for the country to effectively become a large, sustainable and competitive food producer in the world.



## LOW-CARBON ECONOMY

Climate challenges point out to a new development model based on low-carbon economy. The Brazilian Coalition works on concrete proposals and goals to make such changes feasible, real and positive for the country.



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# PATHWAYS FOR LOW-CARBON ECONOMY

Brazilian Coalition's Working Groups (WGs) are essential to the strategy development and the process of discussing alternatives since they comprise the movement's critical mass. More than 70 experts from different areas are engaged in the exchange of technical, political, social and economic information, leading to guidelines for dealing with issues related to climate changes, as well as recommendations for technology that will help the low-carbon agriculture and forest economy.

WGs are currently focused on providing contributions that will help turn the Brazilian goals assumed at the Paris Agreement into reality, aligned to proposals of the Brazilian Coalition. Results of debates are forwarded to the so-called Advisory Group (AG). The AG comprises important environmental and corporate leaders that guide the tactical actions of the movement. Accordingly, public standings, advocacy actions, international

cooperation activities and generally clarifying to society the economic, environmental gains of development based on low-carbon emissions, are formulated from this interaction between the WG and AG. The Brazilian Coalition's WGs work on seven fundamental themes in order for the country to be successful in confronting climate changes and enabling the low-carbon economy.

- **Bioenergy**
- **Forest Code**
- **Low-carbon agriculture**
- **Restoration/Reforestation**
- **Tropical forest economy**
- **Valuation and ecosystem services**
- **International cooperation**

The broad range of themes supported by the Brazilian Coalition can be found in these seven groups. Ultimately, only a holistic approach allows for the comprehension of the climate change issue, in addition to finding concrete and synergistic solutions for sustainable economic development. Therefore, information exchange among groups is intense. In

fact one of the best characteristics of the movement lies precisely in providing dialogue and the articulation of ideas among different voices. With short-term goals and premises that include their thematic areas, WGs are striving for a new moment: turning the Brazilian commitments agreed in the Paris Agreement into reality.



# BIOENERGY

## WHAT IT DOES

It works to establish a global standard for biofuel consumption, as well as a national policy for biofuels and bioelectricity valuation.

## LEADERS

- Brazilian Sugarcane Industry Association (Unica)
- Solidaridad Network

## ORGANIZATIONS INVOLVED

- Agropalma ● Brazilian Association of Vegetable Oil Industries (Abiove)
- Brazilian Industrial Biotechnology Association (ABBI)
- Brazilian Tree Industry (Ibá) ● Copersucar ● Fibria
- Geoflorestas Environmental Solutions ● Proforest Brazil ● WWF Brazil

## OPERATIONAL PREMISES

### BIOFUELS

Brazilian Coalition's proposal for biofuels and bioelectricity is directly related to the energy goals that are part of the Brazilian INDC. Among them, achieving 18% biofuel participation in the energy matrix and 23% renewable energy participation (other than hydropower) in the electric energy supply by 2030.

In this scenario and in terms of biofuels, a long-term guideline is necessary for the Brazilian fuels matrix, i.e., a clear and long-lasting framework with mechanisms to avoid frequent and intense changes to the sector's public policies observed throughout the last decade.

Environmental and social benefits gained from the production of biofuels exceed the private ones. Therefore, it is necessary to create a differentiated and appropriate tax regime that values the low-carbon fuels matrix.

To ensure that both production and transport between production centers and consumers are efficient and competitive, it is necessary to promote investments in infrastructure for the production, storage, processing and distribution of biofuels and agricultural products.

Furthermore, the Brazilian Coalition shall seek strategic national and international partnerships in order to disseminate the concept of a global standard. The movement proposes increasing the minimum content levels of biofuels in the liquid fossil fuels, aiming to achieve E-15 gasoline and B-15 biodiesel standards by 2030, based on intermediary levels (E-10 and B-8 until 2020). This should be achieved with solutions that are appropriate to local circumstances and environmental governance.

Other specific premises must be added for ethanol.

- ▶ To encourage gains in the technical efficiency of vehicles. In other words, within the context of the Inovar-Auto incentive program, to stimulate the search for more efficient flexible-fuel vehicle engines using hydrous ethanol as fuel, in addition to supporting the development of flex-fuel hybrid and ethanol powered engines.



- ▶ To reestablish the Contribution of Intervention in the Economic Domain - CIDE (Contribuição de Intervenção no Domínio Econômico) on gasoline, or other similar taxes, at levels that will establish an adequate price for the social cost of carbon to society. This can be a tax differentiation mechanism that will value the positive externalities of ethanol in comparison to fossil fuels.
- ▶ To structure long-term development policies oriented to technological innovations for advanced biofuels, to reduce federal taxes on the acquisition of machinery, equipment, enzymes and yeast, and to exempt cellulosic biomass acquisition from PIS/COFINS taxation, aiming at attracting private investments in new production projects.

Additional premises for biodiesel.

- ▶ To promote the gradual increase to 20% (B-20) in the content of biodiesel added to fossil diesel in Brazil up in the short-term.
- ▶ To establish public policies for the recovery of degraded and deforested areas with the introduction of oilseed crops, including the perennials, such as new sources of raw material for biodiesel, reducing the pressure to convert new areas for agriculture and livestock activities.
- ▶ To introduce new winter oilseed crops and to use direct planting and rotation techniques, increasing production in areas already converted into agriculture, which also reduces the pressure for new cultivation areas.

## BIOELECTRICITY

Regarding bioelectricity, it is necessary to create a contracting program based on auctions that are differentiated by source and/or region in the Regulated Contract Framework (Ambiente de Contratação Regulada - ACR), with price valuation of environmental, electrical and economical attributes originated from the bioelectricity use.

It is also necessary to establish a structured long-term program to reduce the difficulty in connecting bioelectricity projects to electric power distribution grids.

Another important action is to create more attractive financial conditions for projects: special credit lines for energy efficiency projects; optimization procedures for adapting and/or replacing boilers/turbogenerators, particularly in retrofits; special facilities to enable a greater use of supplementary biomass and use of straw for energy generation (in all stages of the process); creation of credit lines for other biomass (sorghum, energy cane, elephant grass etc.); and extension of the use of official credit lines for imported machinery and equipment.

## GOALS FOR 2016

- ▶ To promote a public policy plan to achieve the commitments for climate change agreed by Brazil with regard to bioenergy.
- ▶ To define an action plan for international cooperation in bioenergy, in partnership with the International Cooperation's WG.
- ▶ To elaborate a strategy for a global standard for the use of biofuel.

## ACTION PLAN

- ▶ To identify priority countries or regions for the action plan prepared in partnership with the International Cooperation's WG.
- ▶ To identify specific barriers to each premise and actions to overcome them.
- ▶ To elaborate a study on the impact of adopting a standard for biofuels (B-15 and E-15) use and a strategy for this.



# FOREST CODE

## WHAT IT DOES

It discusses and creates strategies for the effective implementation of the Forest Code, influencing the Environmental Regularization Program (Programas de Regularização Ambiental, PRA), data transparency of the Rural Environmental Registry (Cadastro Ambiental Rural, CAR) and the promotion of compensation mechanisms for environmental services.

## LEADERS

● Brazilian Rural Society (SRB) ● Cargill ● The Green Initiative

## ORGANIZATIONS INVOLVED

● Agroicone ● Biofilica ● BVRio ● Democracy & Sustainability Institute (IDS)  
● Geoflorestas ● Ibá ● ICV (Instituto Centro de Vida) ● Solidaridad Network  
● The Nature Conservancy (TNC) ● Unica ● University of Campinas (Unicamp) ● WWF

## OPERATIONAL PREMISES

The Brazilian Coalition seeks the implementation of the Forest Code (Law no 12.651/2012), which regulates the protection of native vegetation and agriculture & livestock areas. The effective implementation of this legislation is paramount, as it helps to overcome the national challenges of conciliating agriculture & livestock and environmental conservation, without neglecting social benefits and economic competitiveness.

Brazil has adopted the provisions of this law as a basis for the commitments made during the Paris Agreement. Among them, Brazil has defined that at least 12 million hectares of the country's native vegetation shall be restored.

Efforts to meet this demand create an ambitious working agenda that can potentially improve environmental conditions by means of water resources, biodiversity and soil conservation, with a strong and positive impact on quality of life and farm productivity.

Besides these results, the restoration agenda also offers opportunities for the creation of jobs and revenue, both in the implementation phase and in the economic exploitation of reclaimed forests, which should reach tens of billions of dollars in the coming decades.

Compliance with the new legislation has been advancing significantly, having the Rural Environmental Registry (Cadastro Ambiental Rural, CAR) as a starting point, a system in which more than five million rural properties in Brazil will declare their land use situation, including preserved and anthropized areas, i.e., areas that have undergone human interventions. In addition, the new law has introduced the Environmental Regularization Programs at state level in order to adapt the different regions of the country to the federal legislation.

The restoration agenda will gradually become an effective reality in the country, as the Forest Code is put into practice.

## GOAL FOR 2016

To contribute to a complete implementation of the Brazilian Forest Code, organizing the efforts of the various players involved into an agenda of consensus.

## ACTION PLAN

- ▶ To support and accelerate the implementation of the CAR and to monitor the agenda after its completion. The group monitors and discusses the main issues involving the registry and takes actions for its efficient adhesion in those sectors and categories of rural properties that have not yet concluded it. The WG will also establish a database of accurate information that can help in achieving the preservation and restoration commitments established in the PRA.
- ▶ To publish a document that promotes transparency of the information included in the CAR, with guidelines to make public the general information contained in the registry in compliance with requirements of current legislation. Hence, civil society will be able to assist and participate in the Forest Code implementation process, supporting public entities. The group also intends to work on the dissemination of the registry's consolidated data.
- ▶ To publish a manual with guidelines for the implementation of the PRA in order to accelerate and support the states in their regulatory laws.
- ▶ To promote the regularization of economic mechanisms of the Forest Code, such as Environmental Reserve Quotas (Cotas de Reserva Ambiental, CRA), National Plan for Native Vegetation Recovery (Plano Nacional de Recuperação de Vegetação Nativa, Planaveg) and Incentive Program for Conservation and Preservation, in addition to CAR, among others. They create value for forests by promoting the environmental services market, as well as the production chain associated with forest restoration and implementation of agroforestry systems.
- ▶ To stimulate Legal Reserve (Reserva Legal, RL) compensation, one of the main instruments to prevent deforestation and promote the connectivity between protected areas and environmental regularity of agricultural production. Therefore, together with the restoration of forest assets, the WG will seek ways to accelerate the implementation and regulation of these compensation mechanisms as a way of implementing the Forest Code.



# LOW-CARBON AGRICULTURE (LCA)

## WHAT IT DOES

It works to implement low-carbon emission practices in large-scale agriculture.

## LEADERS

● Brazilian Agrigusiness Association (Abag) ● Institute of Agricultural and Forest Management and Certification (Imaflora)

## ORGANIZATIONS INVOLVED

● Agribusiness Studies Center at Getulio Vargas Foundation (GV Agro)  
● Agroicone ● Brazilian Business Council for Sustainable Development (CEBDS)  
● Brazilian Roundtable on Sustainable Livestock (GTSP)  
● Center for Sustainability Studies at Getulio Vargas Foundation (GVces)  
● Solidaridad Network ● SRB ● TNC ● Unica ● WWF

## OPERATIONAL PREMISES

Large-scale application of low-carbon emission and high-carbon sequestration technologies in the agriculture & livestock sector demands financial and human resources for its implementation. Therefore, they need to be presented and disseminated as alternatives for greater production profitability and efficiency. This is the case for production integrated systems (agriculture & livestock integration, crop-livestock-forest integration and agroforestry systems) and recovery of degraded pastures.

To adopt these technologies adequately for the purpose of reducing national emissions, it is necessary to learn more about the specificities of each region and the needs of each producer. This will help to expand the adoption of efficient production systems throughout the country.

At the same time, there are already several programs and studies that help to increase productivity, profitability and emissions reduction. The challenge lies in the dissemination of and access to such technologies so the producer will have confidence adopting them in the medium and long term.

The effective dissemination of these options together with the technical training of rural producers will lend scale to carbon sequestration practices, as well as lower emissions in the chain.

## GOAL FOR 2016

To foster the dissemination of high profitability agriculture & livestock and low-carbon emission programs in scale in Brazil.

## ACTION PLAN

- ▶ To identify ongoing programs and players (government, private and third sector) that have already disseminated, or can potentially disseminate, techniques and practices of sustainable and low-carbon emission agriculture via rural extension, technical assistance and technology transfer in the Brazilian agriculture & livestock sector.
- ▶ To identify studies measuring the effects of low-carbon agriculture & livestock techniques on production profitability and efficiency and to compile all these experiences in a publication. The focus will be on successful cases, economic feasibility and priority areas for knowledge diffusion.
- ▶ To prepare a dissemination strategy for high profitability agriculture & livestock and low-carbon emission programs for Brazil. Based on studies and mapping described in previous phases, the strategy shall include the identification of areas, cities, players, types/dimensions of priority properties for the dissemination of programs, as well as areas of greater impact in emissions reduction and possible joint actions with similar ongoing programs.
- ▶ To promote a strategy for the dissemination and publication of low emission practices specific to different regions of Brazil. This work shall include events for rural producers, such as the Agrishow, agriculture & livestock and breeders meetings, among others.



# RESTORATION AND REFORESTATION

## WHAT IT DOES

It works to promote a large scale expansion of forest stocks for multiple purposes and to prepare a pre-competitive development project of native tree species in Brazil.

## LEADERS

- TNC ● World Resources Institute Brazil (WRI)

## ORGANIZATIONS INVOLVED

- Agroicone ● Amata ● Amazon Environmental Research Institute (Ipam)
- Amazon Institute of People and the Environment (Imazon)
- Association for the Preservation of the Upper Itajaí Valley (Apremavi)
- Brazilian Forest Dialogue ● Conservation International Brazil (CI)
- Embrapa - Brazilian Agricultural Research Corporation ● Fibria ● Geoflorestas
- Instituto Inhotim ● International Union for Conservation of Nature (IUCN)
- Klabin ● Laboratório de Ecologia e Restauração Florestal (LERF/LCB/ESALQ/USP)
- Laboratory of Tropical Forestry (LASTROP-LCF/ESALQ/USP)
- Laboratory of Silviculture and Forest Research (LASPEF/CCA - UFSCar)
- Plantar Carbon ● Suzano Pulp and Paper ● The Green Initiative
- Vale do Paraíba Ecological Corridor Association

## OPERATIONAL PREMISES

Brazil has several ideal conditions to develop a large restoration and reforestation program.

- ▶ Space to develop these activities (170 million hectares of degraded pastures).
- ▶ Large combination of soil types and climate, which is favorable for the growth of tropical forests.
- ▶ Technology in commercial silviculture and timber products processing.
- ▶ Degraded areas with great capacity for natural regeneration.
- ▶ Demand for recovery of 20 million hectares of native vegetation (Forest Code, Law no 12.651/2012).
- ▶ Political commitment to restore and reforest 12 million hectares (Brazilian goals agreed at the Paris Agreement).

These competitive advantages will bring environmental and economic gains only if strategic and articulated actions are taken, particularly those listed below.

- ▶ Public policies that support rural producers and the associated production chain, as well as consolidation of clear regulations that brings legal certainty.
- ▶ Fiscal instruments and financial mechanisms able to facilitate investments in the sector, resulting from robust research and analysis in order to reduce risks and leverage economic, social and environmental gains.
- ▶ Generation of knowledge and technical skills to work on these agendas.
- ▶ Monitoring system to capture the social, environmental and economic benefits of restoration and reforestation programs and projects.

## GOAL FOR 2016

To develop tools based on relevant studies and information to drive strategic actions that leverage restoration and reforestation programs on a large scale in Brazil, as listed below.

- ▶ A platform to monitor critical factors in order to enable large-scale restoration and reforestation programs in the Brazilian states.
- ▶ A pre-competitive program for the technological development of tropical silviculture.
- ▶ A nation-wide restoration/reforestation training program to help develop capacity in the field and foster the restoration and reforestation production/supply chain.

## ACTION PLAN

- ▶ To develop a monitoring platform to enable large scale restoration and reforestation programs in the Brazilian states, starting with identifying the critical factors that will drive the agenda of restoration and reforestation programs, such as: implementation of the CAR, established PRA, tax incentives for native silviculture, priority areas for restoration, environmental compensation mechanisms in operation, among others.

Some other steps will need to be taken by 2017.

- ▶ To evaluate the situation of critical factors per state.
- ▶ To elaborate a proposal for viewing the collected data.
- ▶ To publish the online platform.
- ▶ To create a strategy to feed information into the monitoring platform.
- ▶ To develop a pre-competitive program for the technological development of tropical silviculture.
  - ▶ To articulate and form a group of institutions, such as public universities with forestry expertise, forest-based businesses, government and non-government organizations, with expertise and knowledge on the subject, in order to develop a research and development (R&D) program in the silviculture of tropical tree species.
  - ▶ To produce a concept for the R&D program.
  - ▶ To identify potential funding agencies to finance this program.
  - ▶ To generate a detailed project and submit it to a development institution.
- ▶ To formulate a national qualification program for agents of the restoration production chain.
  - ▶ To define the program content for each link of the production chain.
  - ▶ To structure a group of players with recognized skills and know-how to develop the program content.
  - ▶ To identify the main professional training institutions and coordinate the incorporation of the program content with them.
  - ▶ To build the basis of a national qualification program for agents of the restoration production chain.



# TROPICAL FOREST ECONOMY

## WHAT IT DOES

It works towards the Brazilian Coalition's proposal for a ten-fold increase in the sustainable forest management area in the country by 2030 and aims to stop illegal logging in the Amazon rainforest.

## LEADERS

● Amata ● Imaflora

## ORGANIZATIONS INVOLVED

● BVRio ● Forest Stewardship Council (FSC Brazil) ● Precious Woods ● WWF

## OPERATIONAL PREMISES

Among the solutions required to promote the agenda of legality and tropical timber traceability in Brazil, the absolute transparency in the sector stands out and has high priority.

Access to licensing, technical responsibility, production, processing, marketing and transportation of tropical timber data will enable systemization and the use of information visualization tools, contributing to a series of advancements.

- ▶ Reduction of emissions fraud and unauthorized trading of credits.
- ▶ Increase in accountability for government entities.
- ▶ Expansion of monitoring and surveillance capacity.
- ▶ Expansion of traceability and supply chain knowledge of national and international companies that purchase tropical timber from Brazil.
- ▶ Improvement of the international reputation of the Brazilian forest sector (tropical timber), currently perceived as not being transparent and harbor illegal and predatory activities.
- ▶ Increase of market confidence in the Brazilian tropical timber sector, expanding trade opportunities and, particularly, exportations.

These are the initial and fundamental steps in order to leverage a sequence of structural changes necessary to the revitalization of this sector.



## GOAL FOR 2016

To promote transparency in the sustainable management of tropical forests in order to obtain wide and periodic access, preferably in real time, to data related to:

- ▶ Management plan approval and technical responsibility;
- ▶ Exploitation permit (Autef) and forest suppression allowance;
- ▶ Timber transactions and transportation data (Forest Origin Document - Documento de Origem Florestal, DOF; and Forest Products Marketing and Transport System - Sistema de Comercialização e Transporte de Produtos Florestais, Sisflora);
- ▶ Licensing and timber credits flow in sawmills in the Amazon.

## ACTION PLAN

- ▶ To adopt a public and decisive position on the need to promote broad transparency in the tropical timber forest sector as the main method of preventing illegality.
- ▶ To promote high-level political negotiation at federal and state level for the provision of non-processed data related to the authorization of forest exploitation and suppression, timber transactions and transport, in addition to licensing and operation of sawmills in the Amazon.
- ▶ To offer the Brazilian Coalition's full and formal support to private and public initiatives that promote transparency of the forest management operations, as well as processing and marketing of tracked tropical timber.
- ▶ To develop a public communications strategy with decision-makers (public authorities and private sector) on the importance and urgency of this agenda.

The following initiatives are also part of the WG scope.

- ▶ To seek the integration of federal and state licensing and control systems for production and marketing of tropical timber currently carried out under decentralized management and with no data integration, which brings difficulties to control and surveillance.
- ▶ To develop efficient mechanisms to monitor and control the production, processing and marketing of timber; to enable public entities to operate them - using big data management tools.
- ▶ To link the timber transport authorization to the electronic invoice with itemized cargo, reducing tax evasion, which gives competitive advantage to the illegal timber.
- ▶ To advocate for the inclusion of specific traceability criteria in contracts related to public works.
- ▶ To encourage the voluntary adoption of tropical timber traceability protocols by offering incentives to producers and companies that adopt robust traceability mechanisms, including those related to taxation and to stimulate technological development of solid traceability protocols.



# VALUATION AND ECOSYSTEM SERVICES

## WHAT IT DOES

It seeks the improvement of current mechanisms of carbon valuation and ecosystem services payment. In other words, this WG deals with economic mechanisms that establish a value for carbon emission or carbon sequestration and also a compensation system for those who preserve essential nature services, such as biodiversity conservation, hydrological cycle and climate regulation.

## LEADERS

● Fibria ● Ipam

## ORGANIZATIONS INVOLVED

● Biofilica ● Boticário Group ● Boticário Group Foundation ● BVRio ● CDP ● CEBDS ● CI ● Copersucar ● Ethos Institute ● Fábrica Ética Brasil ● Fauna & Flora International ● FSC ● GP Leal ● Ibá ● Imazon ● Institute for Conservation and Sustainable Development of Amazonas (Idesam) ● Lei Verde ● Natura ● Partner Desenvolvimento ● Plantar Carbon ● Sustainable Amazonas Foundation (FAS) ● TNC ● Unica ● Verified Carbon Standard (VCS) ● WRI

## OPERATIONAL PREMISES

To improve carbon valuation mechanisms and/or other existing ecosystem services and to influence the approval process of the bills with the aim of strengthening the regulatory framework and market mechanisms that provide compensation are key strategies for expanding the scale of initiatives addressing these issues. These actions contribute to achieving the Brazilian goals agreed during the Paris Agreement, with consequences not only for the climate but also for society and the conservation of water resources and biodiversity.

This WG has three distinct but synergistic foci: Reducing Emissions from Deforestation and Forest Degradation (REDD +), payment for environmental services (PES), and economic mechanisms. As each focus involves different levels of interest, knowledge and implementation process, three task forces related to them were created. Therefore, this WG has three goals for 2016.

## PES GOAL

To influence the approval of PES legislation in the Congress, incorporating the points defined as priorities by the Brazilian Coalition.

## ACTION PLAN

- ▶ To work with those responsible for the bills (Projeto de Lei - PLs) 792/2007, 276/2013 and 312/2015, among other strategic players.
- ▶ To evaluate risks and opportunities related to these three bills.
- ▶ To define a strategy in the National Congress to approve legislation on PES that incorporates priority issues, such as avoiding problems related to trading of carbon credits through contracts or carbon mechanisms, as such credits can be considered an environmental service.

## REDD+ GOAL

To establish a position regarding REDD+ and contributions to the REDD+ National Strategy, referred to as ENREDD+.

## ACTION PLAN

- ▶ To define the key elements that should be included in ENREDD+, aiming at creating guidelines and directions for the REDD+ implementation in the country, and preparing an operation proposal for the National Committee on REDD+ (CONAREDD+), which will be the main deliberative and governance body at federal level for the implementation of ENREDD+.
- ▶ To establish a position for the Brazilian Coalition regarding REDD+, with recommendations and contributions to ENREDD+.
- ▶ To liaise with the government and other sectors of civil society to review the ENREDD+ and ensure the inclusion of the Brazilian Coalition's recommendations.
- ▶ To strengthen the role and activities of civil society in CONAREDD+.

## ECONOMIC MECHANISMS GOALS

1. To facilitate the accounting of removals by reforestation/restoration in corporate reports platforms.
2. To evaluate the best alternatives to carbon pricing, considering land use and ways to implement them.

## ACTION PLAN FOR GOAL 1

- ▶ To engage with the accounting and/or MRV (measurable, reportable and verifiable) platforms, for example, GHG Protocol, Carbon Disclosure Program (CDP) and Gold Standard.
- ▶ To evaluate and define the strategy for inclusion of forest carbon removal.
- ▶ To work for these platforms to consider carbon removals from restoration and reforestation projects.

## ACTION PLAN FOR GOAL 2

- ▶ To assess the situation with regard to carbon pricing in Brazil (Brazilian Market of Emissions Reductions, carbon rate, etc.)
- ▶ To evaluate the best alternatives for carbon pricing, considering land use.
- ▶ To define the strategy for carbon pricing that better considers land use.



# INTERNATIONAL COOPERATION

## WHAT IT DOES

It strives to establish international cooperation for the dissemination and sharing of agendas and technologies with organizations that have common goals with the Brazilian Coalition.

## LEADER

● Proforest

## ORGANIZATIONS INVOLVED

● Amigos da Terra ● CDP ● CEBDS ● Gordon and Betty Moore Foundation ● IDH ● Sustainable Trade Initiative ● Imaflora ● Arapyaú Institute ● IUCN ● Marfrig ● Norway's International Climate and Forest Initiative (NICFI) ● Rainforest Alliance ● Tropical Forest Alliance (TFA 2020) ● Solidaridad Network ● SRB ● WRI ● WWF

## OPERATIONAL PREMISES

The climate change agenda is international by nature, so the initiatives associated with it need to look beyond the Brazilian territory. Therefore, this WG seeks to influence the global agenda for the climate, based on the proposals of the Brazilian Coalition, as it relates to agriculture, forestry and energy.

To identify common agendas related to land use and low-carbon economy and to share governance lessons and Brazilian technology solutions among countries, bilaterally and multilaterally, is also of great importance.

The Brazilian Coalition has been well received abroad by players and organizations working on the climate change and low-carbon economy agenda, such as the FAO (Food and Agriculture Organization of the United Nations), World Bank, We Mean Business, WBCSD and UN Foundation, among others, both for its multisectoral nature and its ability to involve different voices and opinions, seeking consensus around a common cause.

A result of this recognition was the partnership with the Tropical Forest Alliance (TFA 2020), an initiative based at the World Economic Forum, whose activities focus on reducing deforestation related to the production of commodities such as palm oil, beef, soy, cellulose and paper.

This approach led to the expansion of the International Cooperation WG, which now also includes TFA members. It is an important partnership for the Brazilian Coalition because it provides a connection to the world, enabling, for example, more international contacts and partnerships.

## GOAL FOR 2016

To establish consistent and productive partnerships with strategic international players.

## ACTION PLAN

- ▶ To map existing entities and initiatives, in Brazil or abroad, and their contact points, which may be partners in international advocacy actions and in the promotion of technical cooperation or knowledge from Brazil or abroad.
- ▶ To define agenda priorities and influence or collaboration routes for international cooperation jointly with other Brazilian Coalition WGs.
- ▶ To develop strategies to promote partnerships and encourage the Brazilian Coalition members and international initiatives to establish cooperation programs.
- ▶ To strengthen the strategic partnership with TFA and develop a joint workplan.

# 17

## PROPOSALS FOR THE BRAZILIAN AGENDA ON CLIMATE CHANGE

### LEGAL/ INSTITUTIONAL FRAMEWORK

Implementation of the Forest Code, land tenure compliance and international cooperation:

Mechanisms for carbon pricing and ecosystem services:

**1** Establish procedures to ensure implementation of the Rural Environmental Registry (CAR) by 2016 and the Environmental Regularization Program (PRA) by 2018, throughout Brazil.

**4** Create a plan for land tenure compliance and land-use planning by 2016, to resolve conflicts resulting from the overlapping of property rights and land use by 2030.

**6** Scale up and ensure liquidity of existing mechanisms that add economic value to carbon.

### FORESTS AND AGRICULTURE FRAMEWORK

Avoid deforestation, increasing forest stocks and low-carbon agriculture:

**9** Produce an annual land-use and land-cover map for Brazil.

**12** Create mechanisms that value good practices and environmental compliance.

**15** Develop a pre-competitive program for the development of native tree species silviculture in to Brazil.



The guidelines for the role of the Brazilian Coalition come from the 17 proposals considered to be the cornerstone of the movement. They have been prepared as a contribution to the Brazilian mitigation agenda, in synergy with the protection, conservation and sustainable use of forests, and in addition to the expansion of low-carbon agriculture. Some of the proposals have a legal and institutional nature; others have more thematic aspects, particularly the forest and agriculture & livestock sectors.

**2** Promote broad transparency of data, registers and information systems related to environmental and tenure aspects of land use.

**3** Unify all the different registers related to land use in Brazil, in an integrated federal registry.

**5** Establish a South-South cooperation program to disseminate and share Brazilian technology for forests and agriculture.

**7** Create regulatory mechanisms that add direct economic value to renewable energy and products, through demand pegged to non-renewable production.

**8** Introduce global mechanisms for annual payment for ecosystem services from various biomes.

**10** Produce an annual deforestation report.

**11** Raise economic, land tenure and criminal penalties for agents that promote or allow illegal deforestation on all or part of their properties.

**13** Promote a large-scale increase of forest stocks for multiple uses.

**14** 10-fold increase in the area of sustainably-managed forest in Brazil by 2030, and curb the sale of illegal wood products from native forests.

**16** Convert majority of agriculture to low-carbon agriculture throughout Brazil.

**17** Establish global standards for biofuels and promote a national policy to encourage the production of biofuels and bioenergy.

**BRAZILIAN  
COALITION**

ON CLIMATE  
FORESTS AND  
AGRICULTURE  
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