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he Brazilian Coalition on Climate, Forests and Agriculture has established itself in 2021, on its sixth anniversary, as a relevant national player in the debate on the agro-environmental agenda. Raised by an unique composition that gathers companies, financial sector, the academia and civil society organizations, the movement has strengthened its position on agendas under discussion on the National Congress, such as Payments for Environmental Services, land tenure regularization and environmental licensing, created unprecedented mappings on restoration and deforestation, worked alongside state governments and the Judiciary Branch in handling undesignated public forests, contributed to public consultations on green finance and discussed bottlenecks in forestry concessions, among many other topics.

In May, the **Coalition** reached the 300-member milestone, and ended the year with 321 members in its ranks, engaged in 14 Task Forces. Its visibility also reached an unprecedented pitch among the public opinion. The movement reached 2,875 press clippings in 2021 – 73% increase over the rate seen in 2020, the highest record until that date. On social media, the **Coalition** gained 29,652 followers, a 43% increase over the previous year.

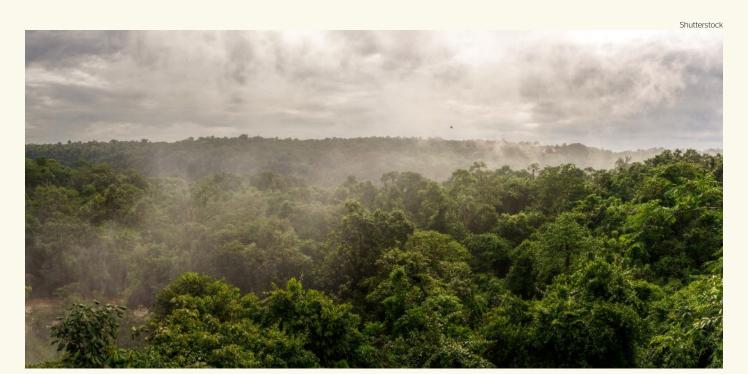
It was also a year of restructuring. Three Task Forces of the Native Forest Dialogue Forum (Restoration Monitoring, Restoration Demands, and Restoration Showcase) merged under the umbrella of TF Restoration, which took on challenges such as expanding data from an observatory and training multipliers on the subject.

In the Public Policies and Economic Instruments Dialogue Forum, TF International Strategy was incorporated into TF Carbon Market. The Agriculture and Forestry Dialogue Forum, in turn, is holding the TF Forest Code, created in September, aiming to ensure the synergy of the **Coalition's** vision on the topic, which underlies the work of seven different Task Forces.

The Executive Coordination, the facilitators and the Strategic and Executive Groups carry out the activities, discussions, and disclosure of positions, serving as a central nerve to a movement that, although so branched, moves forward steady and united, carrying forward the cause of sustainable development and low carbon economy.



PAYMENT FOR ENVIRONMENTAL SERVICES LAW REGULATION IS SUBJECT OF DISCUSSIONS



TF-PES oversaw the sanctioning of the National Policy on Payments for Environmental Services and draws contributions to its draft text

After 13 years of discussion in the National Congress, the National Policy on Payment for Environmental Services (PES) was sanctioned in January 2021. The end of its long process in the Legislative Branch has opened a new front of action since the vetoes to the original text prevented the country's sustainability agenda from advancing as promised.

In March, the **Brazilian Coalition** released a <u>technical note</u> warning that the presidential vetoes jeopardized issues related to the governance and transparency of the Federal PES Program foreseen in the law. Two weeks later, <u>the House of Representatives overrode most of the vetoes</u>, a measure celebrated by the movement.

"The law recognizes environmental services as eligible for remuneration, defines guidelines, and creates legal security for PES initiatives. Furthermore, the policy creates a favorable environment capable of attracting investments for the conservation and recovery of the country's natural capital. The law integrates the productive and environmental sectors in the same agenda and defines as priorities those populations that are most vulnerable from a socioeconomic and climatic point of view", emphasized Erika Pinto, leader of the Task Force on Payments for Environmental Services (TF PES).

Alongside a legal consultancy, the TF started a comprehensive discussion regarding the regulation of the law. The group is preparing a draft with contributions to the National Policy, claiming, for instance, socio-environmental safeguards for traditional communities, small family producers and indigenous peoples.

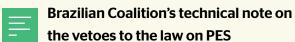


Another point of concern is dealing with the legal insecurity caused by land tenure regularization issues. For this purpose, the monitoring and service pricing systems need to be reviewed, as this information is currently too fragmented.

TF members have also been following the development of a PES platform, which connects producers of environmental services and financiers, ensuring the inclusion of small businesses in the new agroenvironmental agenda.

LEARN MORE:





Congress overturns most of the presidential vetoes to the National Policy on PES and ensures governance and transparency

Overthrow the veto to tax incentives of the National Policy Payment for Environmental Services is key to attracting investment

Brazil wins National Policy on Payment for Environmental Services with tax incentives and mechanisms of governance and transparency

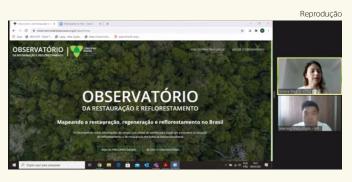


COALITION LAUNCHES OBSERVATORY INTEGRATING RESTORATION AND REFORESTATION DATA

Three months before the launch of the UN Decade on Ecosystem Restoration, the **Brazilian Coalition** presented, in March, the Observatory of Restoration and Reforestation, a platform that gathers information from the field with satellite data to draw a landscape of the recovery of all Brazilian biomes. The initiative is supported by WRI Brasil, WWF-Brasil, Imazon, the Amazon Restoration Pact and The Nature Conservancy.

The platform, which is currently being expanded, has already mapped 79.1 thousand hectares in restoration projects; 10.9 million hectares in natural regeneration; and 9.35 million hectares of areas being reforested. The transparency and visibility of the data are key to allow the public to verify each initiative, and to help farmers to plan new plantings.

The analysis of georeferenced information integrated by the tool allows private companies to track the forest products chain, besides verifying compliance with their sustainability policies and monitoring restoration areas for environmental compensation purposes. The platform will also provide the follow-up of restoration and reforestation commitments undertaken by Brazil in international initiatives.



Platform unites field information and satellite data

The Observatory has two interfaces for analyzing its content. One of them presents the main data in a simple and direct way, ideal for general public consultation; the other brings tools to filter the areas by biomes, regions, states and municipalities, offering public managers and other stakeholders robust information to improve planning and scale up restoration.

At the platform launch, Márcio Macedo, engineer from the Environmental and BNDES' Amazon Fund Management Department, substantiated that the observatory will support the operational work of analyzing and monitoring projects financed by the bank. It will also be useful for other financial institutions that support restoration, reforestation, and environmental regularization initiatives.



In its new version, that will be launched in 2022, the platform will qualify the reported data, such as the age of the area under restoration, its potential to evolve into a consolidated forest, and information about the potential for carbon sequestration, improved water security, and socioeconomic benefits.

LEARN MORE:

Observatory presents data on restoration and reforestation in every Brazilian biome

Access the Restoration and Reforestation
Observatory

Video: Meet the Restoration and Reforestation Observatory

Video: Check out the main data

Video: Check out the functionalities

Video: Check out the database

Video: Launch of the Observatory



SILVICULTURE OF NATIVE SPECIES RECEIVES RESEARCH PROGRAM AND BOOSTS PARTNERSHIP WITH THE ESPIRITO SANTO STATE GOVERNMENT



Representatives of the Coalition and the Espirito Santo State Government during a meeting regarding the WG Silviculture of Native Species

The future of the green economy in Brazil relies on the silviculture of native species. This sector has the potential to reduce deforestation and forest degradation, preserve biodiversity, sequester carbon, create jobs and income, and ensure investments. Aware of its value, in April, the **Brazilian Coalition** launched the <u>Research and Development Program in Silviculture of Native Species</u> (R&DP-SNS).

The program's authors point out that the country has 50 million hectares of degraded pastureland, with low agricultural aptitude, which could be used for planting of native arboreal species. This investment could supply 50% of the global demand for tropical wood by 2050. The activity's financial performance is encouraging — for every dollar invested in research and development of native trees, the return is worth US\$ 2.39, according to the specialists involved in the initiative, supported by WRI Brasil and other institutions.

"There is extensive knowledge about forests all over Brazil, a differential that can attract investments", emphasized Rachel Biderman, cofacilitator of the **Coalition**, at the launch of R&DP-SNS.

The transformative potential of the sector was corroborated by a study released in December by the **Coalition** and WRI Brasil. Entitled "Reforestation with native species: case studies, economic viability and environmental benefits", the work evaluated the results of 40 projects spread throughout the country. Among those, 32 brought a return on investment ranging from 9.5% to 28.4% per year, showing that they are competitive if compared to other farming activities.

Over 15 years, R&DP-SNS foresees the implementation of 20 study sites in the Amazon and Atlantic Forest, with species already mapped according to their economic >



potential. The program, currently in phase of fundraising, will include a special axis for training, either for postgraduate education or extension courses.

In March, the **Coalition** also announced the Working Group on Silviculture of Native Species (WG Native), a collaboration with the Espirito Santo State Government to foster studies and initiatives leading towards the creation of a hub of silviculture of native species in the state. In August, a technical cooperation agreement was signed to formalize the partnership.

The cooperation agreement, which is in force until August 2023, has, among its goals, the elaboration of a proposal for regulatory modernization for the state, the establishment of an action plan with activities, budget and schedule for the hub, and the identification of synergies between the work of the WG and the state' initiatives and policies.

LEARN MORE:



Video: ES government announces "WG Natives", an initiative built in partnership with the Brazilian Coalition



Video: Launch of the R&D Program in **Silviculture with Native Species**



Report: "Research & Development Program on Silviculture of Native Species"



Video: Webinar "Reforestation with native species: return for the producer and benefit for the climate"



Study: "Reforestation with native species: case studies, economic viability and environmental benefits"



UNPRECEDENTED MAPPING SHOWS USE OF DEFORESTATION DATA BY THE BUSINESS COMMUNITY



Research shows the relevance of information related to deforestation for the decision-making process of the business community

There is no lack of metrics on deforestation in Brazil. However, the adoption of this information by the business community was still unknown. Hence, in May, the **Brazilian Coalition** launched the survey "How the private sector uses deforestation data", conducted in between the months of October and December 2020 with 70 participants from 60 different institutions, including companies operating in the forestry, financial, and agribusiness sectors.

Most participants reported that their institution already uses deforestation data in the decision processes (90%) and the most mentioned data sources were the official ones, produced by the National Institute for Space Research (INPE in Portuguese acronym), such as Prodes Amazônia (66%) and Deter (46%). In addition.

24% of respondents reported that they check the information daily, and one out of four respondents said they check it monthly.

Despite the broad adherence to the deforestation surveys, the companies mentioned several doubts and difficulties, such as the lack of information to verify the lawfulness of cutting native vegetation and problems in cross-referencing the deforestation data with other indexes, such as the impact on biodiversity and water.

The companies also stated that they had concerns about the accuracy and resolution of the available data and raised questions about the credibility of official information, due to the risk of political interference in the scientific >



bodies responsible for the data collection. "We identified two main clusters of doubts. One is in relation to the lack of complete understanding of the data. This difficulty may be related to the fact that decision-makers in private sector do not necessarily have the technical knowledge to interpret the data. The other has to do with information transparency. The crucial aspect here is the ability to distinguish legal from illegal deforestation", explained Clarissa Gandour, leader of the Task Force on Deforestation Data, who developed the research alongside Paula Bernasconi, the other leader at the time.

The group has pinpointed, as next steps, the preparation of informative materials and the implementation of training and qualification for the best use of the information. The

increase in data transparency, which can be achieved by making Vegetation Clearing Authorizations public, was among the six measures listed by the **Coalition** in the document. "Actions for Prompt Deforestation Halt".

LEARN MORE:



Survey: "How the private sector uses deforestation data"



Interview with Clarissa Gandour: Halting deforestation in the Amazon means fighting unlawfulness and corruption



Amazon deforestation hits record high and shows Brazil heading towards the abyss



PARTICIPATION IN PUBLIC CONSULTATIONS STRENGTHENS DEBATE ON GREEN FINANCE



Coalition made contributions to the Central Bank's public consultations and proposals for the Safra and ABC+ plans

The advocacy of economic development based on sustainable land use has led the **Brazilian Coalition** to engage in several policies and instruments to promote low carbon agriculture. In 2021, the Task Force Green Finance was engaged in public consultations of the Central Bank (BC) and in initiatives of the Ministry of Agriculture — the ten-year assessment on the ABC Plan implementation and the elaboration of the Safra Plan 2021/2022 and the Operational Plan ABC+ 2020-2030.

The **Coalition** has contributed to <u>BC</u> consultation No. 82, which dealt with the creation of the Green Bureau of Rural Credit, and with consultations Nos. 85 and 86, regarding the regulation of the socio-

environmental policy and climate risk management. The proposals sent to the Safra Plan highlighted the need to direct rural credit financing to sustainable practices and technologies that aim at making agriculture more resilient to climate change.

Between 2021 and 2022, Safra Plan will allocate BRL 5.05 billion to the Low-Carbon Agriculture Program (ABC Program), which aims to promote the decarbonization of agricultural production. Its resources have doubled in relation to the previous two years.

"The creation of working groups to evaluate the socio-environmental criteria of properties that access the rural insurance, such as slave-like practice and the existence of



embargoed areas, was an important point to be emphasized", explained Leila Harfuch, TF Green Finance co-leader.

Regarding the ABC Plan, the **Coalition's** evaluation is that the first ten years of the policy brought significant results, and that its successor, the ABC+, which will be in force between 2020 and 2030, will broaden its scope, reaching the integrated landscape management and combining mitigation and adaptation to climate change, in addition to adaptation to the Forest Code. It is expected that the initiative will also include small producers, to allow them to have access to technology on their properties, and that the new policy will leverage private funding.

The public consultation on the <u>ABC+</u>
<u>Operational Plan</u> has incorporated, fully or partially, <u>17 contributions submitted by the</u>
<u>Coalition</u>. Among those adopted by the Ministry of Agriculture are items that deal with

bioinputs, improvements related to rural credit and incentives to adopt the no-till farming system on pastures, as a form of integration between cultivation and other sustainable production models.

LEARN MORE:





Central Bank Public Consultation 82/2021:
Brazilian Coalition's Contributions

Central Bank Public Consultation 85 and 86/2021: Brazilian Coalition's Contributions

ABC+ 2020-2030 Public Consultation:
Brazilian Coalition's Contributions

ABC+ Plan 2020-2030 incorporates 17 contributions from the Brazilian Coalition



MOVEMENT CLAIMS THE ESTABLISHMENT OF A NATIONAL BIOECONOMY POLICY AND DATA INTEGRATION



Document indicated nine priorities for the promotion of bioeconomy in the country, such as the creation of a national policy on the subject

The bioeconomy combines some of the key principles of the **Brazilian Coalition**: its concept covers the promotion of sustainable use of biodiversity, the development of agricultural systems, the protection and restoration of native vegetation, the socioeconomic inclusion of traditional communities and family farmers, and the generation of income for rural and forest regions. However, the theme is faced in the country from fragmented and sectored discussions. Hence, the Task Force Bioeconomy took on the mission to reconcile different positions on the matter and create an

action plan so that Brazil can become a world power in the responsible use of its natural resources.

In September, the **Coalition** released a position paper listing nine priority initiatives. One of them is the creation of an inclusive, comprehensive, and simplifying National Bioeconomy Policy that fosters opportunities and stimulates innovation. Another key point is the integration of data sources on Brazilian biodiversity, mapping scalable chains and value addition bottlenecks.

The boosting of research incentive programs in bioeconomy can contribute to the implementation of regional centers of excellence focused on knowledge production in biodiversity and native ecosystems. Starting from there, it will be possible to structure regional training centers that integrate knowledge from areas such as ecology, food, agriculture, forestry, and business, developing generations of professionals and entrepreneurs.

"Bioeconomy today is an attractive topic to the traditional industry and adds a regenerative view aligned to the principles of a production allied to conservation. Brazil is the country that can reconcile these visions because it has an immense wealth in biomes and our strength in agriculture", Luciana Villa Nova, co-leader of the Bioeconomy Task Force, explained.

To be fully aligned with the country's vocation, however, the development of the bioeconomy must be intertwined with the socioeconomic system, that is, the opportunities that have arisen through this new model must aim at the end of misery and poverty. Brazil, then, must show the world that it is possible to decarbonize the economy and create sources of employment and income.

LEARN MORE:



Interview with Luciana Villa Nova: Brazil can lead the low carbon economy



Brazilian Coalition stands for the creation of a National Policy on Bioeconomy



WEBINARS DISCUSS BRAZIL'S PREPARATION FOR COP 26 AND LEAD TO A REPORT WITH RECOMMENDATIONS FOR NEGOTIATORS



Civil society representatives met in August with the COP 26 chairperson Alok Sharma (center, standing)

The international community had high expectations for the 26th United Nations Climate Change Conference (COP 26), which took place in Glasgow from October 31 to November 12, 2021, a year late — the convention, originally scheduled for 2020, was postponed due to the coronavirus pandemic. The **Brazilian Coalition** held, in partnership with Valor Econômico newspaper, a series of six webinars dedicated to the issues that would be at stake in the conference, also debating how Brazil should engage in the discussions and what new commitments it could assume.

The online events occurred from April and were mediated by journalists from the Valor Econômico newspaper and members of the **Coalition**. The list of participants

in debates included personalities from different areas linked to the climate agenda, such as academics, businesspeople and representatives from the financial sector, agribusiness, NGOs, and traditional communities. They discussed, among other issues, the opportunities brought by the Paris Agreement to reconcile agricultural production and environmental conservation in both the Amazon and the Cerrado.

The webinars provided inputs for drafting the <u>"Recommendations for COP 26"</u> report. Launched in October, about three weeks before the beginning of the conference, the document brings five measures that, according to the **Coalition**, should be pursued by the Brazilian government and the international community:



- Expanding national ambition of greenhouse gas cutting targets, engaging other countries to do the same:
- Complete the rulebook for the global carbon market:
- Invest in nature-based solutions to climate change, such as reducing deforestation, low-carbon agriculture, and restoration;
- Support climate funding for developing countries; and
- Finance adaptation of vulnerable communities in developing countries against extreme events, seeking to promote climate justice.

The report highlighted that Brazil, the fifth largest emitter of greenhouse gases, is also the world's largest beef exporter, second largest grain exporter, and fourth largest food producer. Of the total Brazilian emissions, 28% are generated by agriculture and cattle raising activities and 44% by land use change, almost exclusively by means of deforestation.

"The decisions we make in this decade will be crucial for the future of the climate on Earth. As one of the largest global emitters of greenhouse gases and also as one of the most vulnerable economies to climate change, Brazil has the urge to raise its climate ambition", claimed Marcello Brito, **Coalition** cofacilitator at the time.

WATCH THE WEBINARS:

- From the Climate Summit to COP 26: what is at stake?
- What science says: Brazil's role in the international climate scenario
- The Brazilian private sector in climate action
- The Paris Agreement and the opportunities to reconcile agricultural production and conservation in the Cerrado
- The Paris Agreement and the Amazon:
 opportunities to produce and conserve
 Brazil towards COP 26: Recommendations

LEARN MORE:

and next steps

- Brazil Coalition defends an increase in Brazilian climate target
- Senate adopts misguided emissions reduction target
- Report Recommendations for COP 26
 - Signature of forestry agreement is a win in the fight against climate change



COALITION DISCUSSES CLIMATE, AGRICULTURE AND GEOPOLITICS AT INTERNATIONAL FORUMS



Marcello Brito (center), then cofacilitator of the Coalition, mediates a debate at the Brazil Climate Action Hub, at COP 26

The **Brazilian Coalition** gained unprecedented international visibility in 2021, participating in important summits where issues such as climate change and the future of the Amazon Forest were discussed.

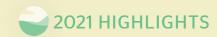
The movement was among the supporters of a special edition about the Amazon Forest of the Global Landscapes Forum (GLF), one of the main global platforms on sustainable landscapes. In September, more than 200 experts discussed the challenges of the biome, which is reaching its point of no return, when the forest will lose its watergenerating function.

Other panels featuring **Coalition** experts addressed the geopolitics of zero deforestation and how to stop forest devastation in commodities production, besides sessions on bioeconomy potential and the creation of an endogenous

sustainable development model, that is, a transition towards a low-carbon economy that includes forest peoples. The final plenary, mediated by cofacilitator Rachel Biderman, questioned how to scale up sustainable business, climate finance, and public policy for the regional initiative in the Amazon.

At Climate Week NYC, also held in September, the **Coalition** promoted the debate "Climate Networks: Civil Society and Private Sector Initiatives on the Sustainability Agenda", discussing the relevance of dialogue between both parties to ensure progress on the agroenvironmental agenda.

In November, the **Coalition** has collaborated with the Brazil Climate Action Hub, which has been established as the space where civil society debates were held at the 26th United Nations Climate Change Conference (COP 26). Alongside IPAM, the movement held



a discussion on the future of the Amazon. **Coalition** representatives also participated in panels organized by companies — on topics such as restoration and low-carbon practices in agriculture and cattle raising — and by parliamentarians, who addressed the role of Congress in the climate crisis.

Sharing impressions during the UN convention was not restricted to the events: the **Coalition** also engaged in bilateral articulations and discussed with representatives of the Brazilian delegation.

Another GLF edition took place simultaneously to COP 26 in Glasgow, Scotland. GLF Climate: Frontiers of Change featured then cofacilitator Marcello Brito in its closing plenary. In March 2022, in a recap of the conference, GLF organizers selected Brito's speech for the "Must-see Speakers" campaign.

COALITION AT THE GLF AMAZON:

The geopolitics of zero deforestation: connecting supply and demand

What does bioeconomy mean?

How to build an endogenous development model?

What's next? How to scale up sustainable business, climate finance, alliances and public policies for regional action?

COALITION AT CLIMATE WEEK:

Climate Networks: Civil Society and Private Sector Initiatives on the Sustainability Agenda

COALITION AT COP 26:

The future of the Amazon: reconciling agricultural production and forest conservation (part 1)

The future of the Amazon: reconciling agricultural production and forest conservation (part 2)

Union for Restoration: TNC, WRI,
CI and WWF together for the Amazon,
Cerrado and Atlantic Forest

Scaling up low-carbon practices in Brazilian agribusiness

COALITION AT GLF CLIMATE:

GLF Climate Closing Plenary: Frontiers of Change

Marcello Brito's speech:
"Why Climate Negotiations Fail"

COALITION STRUCTURE DIAGRAM IN 2021

AGRICULTURE AND FORESTRY DIALOGUE FORUM **DEFORESTATION DIALOGUE FORUM**

NATIVE FOREST DIALOGUE FORUM

PUBLIC POLICIES AND ECONOMIC INSTRUMENTS DIALOGUE FORUM

EDUARDO BASTOS

Bayer

IVONE NAMIKAWA

Klabin

LEDA TAVARES

WWF-Brazil

LIÈGE CORREIA

JBS/Friboi

LUCAS HENRIQUE RIBEIRO

Abag

TASK FORCES

ATER (TECHNICAL ASSISTANCE AND RURAL EXTENSION)

JULIANA MONTI

Solidaridad

MARIANA PEREIRA

· · · · Solidaridad · · · ·

FOREST CODE

BETO MESQUITA

BVRIO AND DIÁLOGO

FLORESTAL

RENATA NOGUEIRA

Cargill

GREEN FINANCE

JULIANO ASSUNÇÃO

CPI/PUC-Rio

LEILA HARFUCH Agroicone

ALESSANDRA FAJARDO

Bayer

FABIANA REGUERO

Amaggi

FABÍOLA ZERBINI

TFA

PAULO MOUTINHO

IPAM

TÚLIO DIAS BRITO

Agropalma

TASK FORCES

DEFORESTATION DATA

CLARISSA GANDOUR

CPI/PUC-Rio

PRISCILA MATTA

Natura

UNDESIGNATED

PUBLIC FORESTS

PAULO MOUTINHO

IPAM

BEEF TRACEABILITY

BIANCA NAKAMATO

WWF-Brazil

MARCIO NAPPO JBS

ANA LEITE BASTOS

Amata

EDUARDO ROXO

Atina

LEONARDO SOBRAL

Imaflora

MIGUEL CALMON

CI

PAULO BARRETO

Imazon

TASK FORCES

.

BIOECONOMY

EDUARDO ROXO

Atina

JULIANA SIMÕES

TNC

LUCIANA VILLA NOVA

FOREST CONCESSIONS

ANA LEITE BASTOS

Amata

LEONARDO SOBRAL

Imaflora

. RESTORATION

LAURA ANTONIAZZI

Agroicone

RUBENS BENINI

TNC

SILVICULTURE

OF NATIVE SPECIES MIGUEL CALMON

CI

RODRIGO CIRIELLO

Futuro Florestal

ANDREIA BONZO AZEVEDO

Instituto Igarapé

BETO MESQUITA

BVRio

DIOGO BARDAL

IFC

ERIKA PINTO

IPAM

GABRIEL SIQUEIRA

Unicamp

JOANA CHIAVARI

CPI/PUC-Rio **KALIL CURY**

Partner Desenvolvimento

RODRIGO LIMA

Agroicone

TASK FORCES

CARBON MARKETS

EDUARDO BASTOS

Bayer

GABRIELA SAVIAN

IPAM

JOSÉ CARLOS DA FONSECA JR

lbá

MONITORING

TERRITORIAL PLANNING

ANDREIA BONZO AZEVEDO Instituto Igarapé

MÔNICA DIAS

Suzano

PAYMENT FOR

ENVIRONMENTAL SERVICES

ERIKA PINTO

IPAM

LANDHOLDING REGULARIZATION

JOANA CHIAVARI

CPI/PUC-Rio



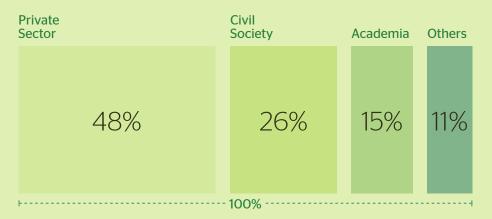
DIALOGUE FORUM ACTIVITIES



meetings, calls and webinars of Forums and **Task Forces**

rounds of **General Meetings** for the Dialogue Forum

PARTICIPANTS PROFILE IN MEETINGS:





ACTION PLAN PLATFORM:

Find all the actions planned and carried out by the Dialogue Forums and task forces

Join the Dialogue Forums

SOME TOPICS DISCUSSED:

"Value at scale for native forest economy: restoration, management and bioeconomy"

> "The sustainability of agrarian reform"

"The relevance of fighting deforestation for climate ambition"

DEFORESTATION DIALOGUE FORUM

Strategy and transparency. The Task Forces of the Deforestation Forum adopted these two watchwords to guide their work in 2021, when the Amazon's devastation reached a new high mark for the third year in a row, the highest rate since 2006.

TF Deforestation Data has identified, by means of an unprecedented mapping, how the private sector uses information about the loss of native vegetation cover. Thus, it learned the need for a simpler, more didactic and up-to-date format for the statistics. To this end, the task force established a partnership with PlenaMata, a gateway for information on Amazon deforestation and conservation maintained by organizations such as Natura, InfoAmazonia and MapBiomas.

In a meeting with representatives from the Brazilian Forestry Service, leaders of the Deforestation Forum stressed the importance of using information from the Rural Environmental Registry (CAR in Portuguese acronym) to restrain deforestation. The TF Undesignated Public Forests seeks measures to enable the suspension of overlapping registrations of public forests. Data on these undesignated areas, which are the most threatened by illegal occupation, were shared in conversations with the governor of Maranhão, Flávio Dino, and with the National Council of Justice (CNJ, in Portuguese acronym).

Meanwhile, TF Beef Traceability approached the Ministry of Agriculture, Livestock and Supply contributing to the creation of thematic panels for the Brazilian Agricultural Observatory, which aims to facilitate and systematize access to information on the agricultural and cattleraising chains. The Task Force also discussed with the Ministry the Inovacarne initiative, which addresses cattle raising traceability, advocating the methodology standardization of the several initiatives dedicated to the matter driven by public authorities, private companies and civil society organizations. This measure would contribute to create a single system that would reveal whether rural properties follow the guidelines for environmental compliance in their activities.



PUBLIC POLICIES AND ECONOMIC INSTRUMENTS DIALOGUE FORUM

2021 was an intense year in terms of following up on bills that could have a major impact on the agriculture and environment agenda. The House of Representatives approved controversial bills on environmental licensing and land tenure regularization.

TF PES has prepared several position papers related to the regulation of Law 14.119/2021, which established the National Policy on Payments for Environmental Services. The text was sanctioned in January 2021 with presidential vetoes that, according to the **Brazilian Coalition**, would compromise the governance and transparency of the new federal program. Therefore, overturning the vetoes would be essential for the creation of tax incentives that would attract new sources of resources for the program, which has been raising interest from the private sector, given the growing relevance of the concept in corporate sustainability indexes.

The **Coalition** prepared a technical note explaining the risks related to each veto, such as the "historical loss of recognizing and valuing the work of the millions of citizens who care for our environmental assets". In March, <u>Congress overturned most of the vetoes</u>. The next step for the TF PES was to work in conjunction with a legal consultancy to prepare contributions to establish the new national policy.

The TF Monitoring Territorial Planning, on the other hand, has focused on initiatives that aim to promote the integration of registries of rural properties in the country, such as that of the Internal Revenue Service. Another working front is the development of a territorial governance platform alongside the Federal Data Processing Service (Serpro). Both measures will increase data transparency and the legal security of landowners.

The TF Landholding Regularization, which has been following the discussions on the Provisional Measure 910/2019 and the Bill 2633/2020 since 2020, continued monitoring the Bill 510/2021, which also aims to amend rules on the matter, in the Federal Senate. In a position paper issued in April, the Coalition warned that changing the law will not reverse the situation of thousands of rural landowners who are waiting for land titles — in fact, the text's effect may be the opposite, since it makes the timeframe and the size of the properties to be titled more flexible, legitimizing land grabbing practices and stimulating illegal occupations.

Just like Bill 510/2021, the debate over Bill 528/2021, which regulates the Brazilian carbon market, is also a cause for concern. Experts gathered at the TF Carbon Markets work to ensure that this text includes non-negotiable points, such as the merging of regulated and voluntary markets, as well as guaranteeing the presence of environmental safeguards.



AGRICULTURE AND SILVICULTURE DIALOGUE FORUM

The Agriculture and Forestry Forum, through its Task Forces, reinforced its understanding that technological innovation in rural production is crucial to fight climate change. It also emphasized the relevance of promoting family farming and spotlighted the Forest Code, which is considered a keystone in reconciling production and conservation.

The **Brazilian Coalition** advocated that the Safra Plan, as the main instrument for implementing Brazilian agricultural policy, must be completely aligned with the country's climate targets and, therefore, have its portfolio linked to low carbon emission practices, just as the Low-Carbon Agriculture Program (ABC Program) works today.

The TF Green Finance, in its contributions to the Safra Plan 2021/22 and Central Bank public consultations, emphasized the need to commit to decarbonization in the rural areas, to improve rural credit, strengthen risk management for producers who adopt resilient systems (rural insurance), and to ensure that projects financed by the federal government do not include deforestation or conversion of natural areas as practices.

The Ministry of Agriculture, Livestock and Supply also received contributions from the

TF in the ten-year evaluation of the ABC Plan 2011-2020 and the group took part in the public consultation of the <u>ABC+ Operational Plan</u>, which runs from 2020 to 2030, with 17 submitted proposals having been fully or partially incorporated.

The TF ATER discussed the main points of contribution to the Bill 4.371/2020, which proposes the revision of the National Policy for Technical Assistance and Rural Extension. According to the task force, this revision should emphasize family farmers, indigenous, quilombolas, and other traditional peoples as its target audience. In addition, they also listed points such as the updating of ATER techniques in relation to low carbon practices and a closer participation of states, municipalities and civil society in planning the actions foreseen. The Bill's text, however, was withdrawn by the author.

In September, the Agriculture and Forestry Forum incorporated the **Coalition's** newest task force, TF Forest Code, which aims to promote synergy among the seven TFs working on issues related to the legislation, in addition to paving the way for dialogue with other groups that work for its implementation.



NATIVE FOREST DIALOGUE FORUM

It is time to build new strategies, seek partners and develop even more ambitious plans. In 2021, the Native Forest Forum followed in the footsteps of the United Nations, which launched the <u>Decade on Ecosystem Restoration</u>, and amplified communication on the matter with society. In addition, it created a working group (WG) that was involved in creating a pioneer hub of silviculture of native species in the country and worked alongside other organizations to gather information on bioeconomy, which may lead to the establishment of a national policy on this agenda.

The TF Restoration was created from the merge of three Task Forces and has divided its work into three fronts. One of them is dedicated towards integrating and qualifying monitoring data through the Observatory of Restoration and Reforestation, which gathers information about areas under regeneration, restoration, and reforestation in Brazilian biomes. The TF also discusses the benefits of restoration and skills training, which will include the development of a course to train multipliers on the subject.

In addition to changes in its internal structure, the TF stood out by taking part in the launch of the UN Decade on Ecosystem Restoration and supported the launch of the <u>"Restoration Showcase"</u> platform.

For this economic activity to gain scale in Brazil, as with other commodities, the TF

Silviculture of Native Species launched a Research & Development Program. The project aims to create a scientific and technological database that will drive the country to leadership in the sustainable production of tropical wood.

The task force also established a <u>working</u> group with the Espírito Santo state government to implement a silviculture hub in the state, a national benchmark in native species programs, reconciling the environmental and business agendas.

The TF Bioeconomy advocated the <u>creation</u> of a national policy on the matter, by promoting the economic use of forests by means of socio-environmental practices, generating income and the well-being of local communities. To this end, the TF claims for the adoption of a series of measures, such as the availability of tax incentives aimed at bioeconomy initiatives, in addition to commitment from the business sector to the Environmental, Social and Governance (ESG) principles...

Meanwhile, TF Forest Concessions is monitoring the evolution of the Bill 5.518/2020, which proposes a change in the public forest management law and has organized a debate with partners regarding the bottlenecks for the establishment of concession contracts, such as high cost and lack of definition of the governance structure.





ADVOCACY

In 2021, the **Brazilian Coalition** intensified the dialogue with the public authorities at all levels, besides strategic international players in the agro-environmental agenda. Among the issues discussed were climate policy, land tenure regularization, fighting deforestation, restoration and implementation of the Forest Code.

There were 82 meetings with public authorities, involving more than 200 participants. Among them, the ministries of Economy, Agriculture, Science and Technology, Regional Development and Foreign Relations. Subjects such as restoration, payment for environmental services and rural credit were discussed and the authorities received the report made by the movement with recommendations for the 26th United Nations Climate Change Conference (COP 26). There was also a <u>reapprochement with</u> the Brazilian Forest Service (SFB), in which the Coalition stressed the relevance of the Rural Environmental Registry (CAR) as an instrument of control and monitoring against deforestation. The SFB, meanwhile, introduced the planning related to the implementation of the Forest Code.

In the Judiciary, the **Coalition** exchanged impressions about the opening of data and information related to public forests with the National Council of Justice (CNJ). Within the financial sector, it discussed about silviculture of native species with the National Bank for Economic and Social Development (BNDES) and green financing with the Central Bank of Brazil.

Subnational players also strengthened ties with the **Coalition**. The governor of Espírito Santo, Renato Casagrande, was a strategic partner in signing a technical cooperation agreement for the creation of a silviculture of native species hub in the state. State Governor Flávio Dino, from Maranhão, president of the Interstate Consortium For Sustainable Development Of The Legal Amazon discussed the challenges of combating land grabbing.

In Congress, the movement was requested by representatives of different parties from the Environmentalist and Agricultural Parliamentary Fronts. Among them, senators Jaques Wagner (PT), Confúcio Moura (MDB) and Katia Abreu (PP), as well as deputies Rodrigo Agostinho (PSB), Zé Silva (Solidariedade), Arnaldo Jardim (Cidadania), Camilo Capiberibe (PSB), Nilto Tatto (PT), Tabata Amaral (PSB) and Zé Vitor (PL). The Coalition attended seven public hearings, where they discussed topics such as the evaluation of Brazilian climate targets and environmental licensing.

At an international level, the movement was one of the collectives invited to meet in Brasília, in August, with the president of COP 26, Alok Sharma. Climate change was also a matter of conversation with the embassies of key countries for the decarbonization of the planet, such as the USA, China, and the United Kingdom, besides the European Union. In addition, dialogue also took place with the diplomatic representations of Norway and Germany, donor nations of the Amazon Fund, along with Denmark and the Netherlands.

COMMUNICATION BENCHMARKS



newsletters

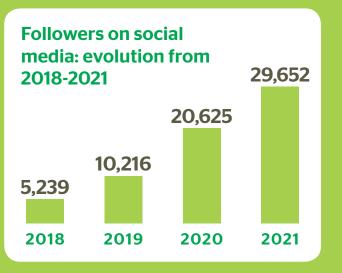
videos

reports or studies Coalition events

attendances at other events

Partnerships with Agroanalysis and Globo Rural magazines





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COALITION FACILITATORS AND TEAM MEMBERS

During the second Plenary Session of 2021 of the **Brazil Coalition**, held in December, the ambassador <u>José Carlos da Fonseca</u> <u>Jr., executive director of the Brazilian Tree Industry (Ibá), assumed the cofacilitation of the movement</u>. Fonseca replaces the engineer Marcello Brito, who ended his two-year term.

A career diplomat since 1982, Fonseca has served in cities such as Washington (USA), Ottawa (Canada), and Abu Dhabi (United Arab Emirates). He was also Minister-Counselor in New Delhi (India) and Brazilian Ambassador to Myanmar. He also served as special advisor and chief of staff at the Ministry of Finance, federal deputy for the state of Espirito Santo and secretary of the Treasury and Civil House in the state of Espirito Santo.

In 2019, Fonseca took over as executive director of Ibá, the association responsible for the institutional representation of the planted tree production chain, which brings together more than 40 companies in the sector. At the time, he joined the **Coalition** as a co-leader of the Carbon Markets Task Force.

The diplomat shares co-facilitation of the **Coalition** with Rachel Biderman, Senior Vice President for the Americas at Conservation International (CI), who took over the position in December 2020 and will remain at the head of the movement until the end of 2022.

Facilitators are primarily responsible for representing the **Coalition** at events and meetings and also for mediating dialogue among its members in general. Since 2018, the position is divided by two representatives from different sectors.



José Carlos da Fonseca Jr: 'We seek convergences'



Rachel Biderman: 'We have accomplished a hands-on movement'.

"We are driven by a deep love for Brazil and the certainty that we can be in a better situation than the one we are in in our country today", said Fonseca during the plenary. "Cofacilitation is just a bond in a gigantic chain of 300 members united by the challenge of building a better country, which takes into consideration the differences, because, here, we are looking for convergences".

Brito, meanwhile, said that he has never evolved "as much as a person and as a citizen" as during his time as a cofacilitator, greeting the movement as a "true library of knowledge working for this country".



Rachel Biderman welcomed Fonseca and thanked Brito for his work: "His contribution has been tireless in the **Coalition** and in the other hats he wears on behalf of the low carbon economy".

In an interview with the Coalition's newsletter,

Rachel said that 2021 was a "very proactive" year for the network: "We accomplished a hands-on movement that delivers results on urgent issues".

Changes were also made in the movement's coordination in 2021. In June, Fernanda Macedo left the position of Executive and Communications Coordinator after four and a half years of contributions. Laura Lamonica a member of the movement since 2017, leading the Forums and Task Forces, as well as the financial management, stepped into her place in the Executive Coordination. In August, journalist Renato Grandelle joined the Coalition, taking over the Communications Coordination.

Besides Laura Lamonica and Renato Grandelle, the movement's coordination also includes Maiara Beckrich, Operations and Engagement Senior Analyst, and Joice Oliveira, Operations and Information Management Senior Analyst.

Check out, in the section **ABOUT COALITION**, the composition of the movement's governance, which also underwent changes in the Strategic and Executive Groups and in Forums and Task Forces leadership throughout the year.

READ MORE:



José Carlos da Fonseca Jr:
"The great belief that unites us is sustainable development"



Rachel Biderman:
"We have accomplished a hands-on movement"



ACCOUNTABILITY

Total spent in 2021: BRL 1,329,156.37

TEAM SALARY (42.27%): four professionals fully dedicated to the **Coalition** (Executive Coordinator; Communications Coordinator; Operations and Engagement Senior Analyst and Operations and Information Management Senior Analyst).

PARTNERS' FEE (9.03%): legal and administrative-financial support expenses provided by CEBDS.

OPERATIONAL EXPENSES (3.16%): structure and basic services, such as maintenance of websites and e-mails, stock of materials, newspapers, e-mail marketing, systems and platforms (clipping, Zoom, digital signature, etc.), fees and taxes.

COMMUNICATION SERVICES (20.46%):

includes support provided by the agency responsible for the **Coalition's** newsletters and social media, magazine articles, design, translation and PR services.

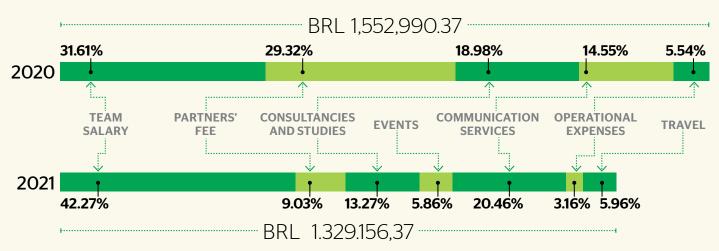
CONSULTING (13.27%): expenses related to legal and technical advisory services for

the construction of the PES Law regulation proposal and for the creation of the National Registry of Legal Entities (CNPJ) for the **Coalition** administrative office, besides the consultancy for the elaboration of the report "Recommendations for COP 26". Also in this category are the review of funding projects and the analysis of human resources.

EVENTS (5.86%): previously considered as part of communication expenses, this refers to expenses for preparing and holding webinars, including the production of videos for the plenaries and participation in international events, such as the Global Landscapes Forum.

TRAVEL (5.96%): includes expenses with national and international travel of Coalition representatives. This category presented expenses lower than initially estimated due to the pandemic context. Most of these resources were used for the Coalition's participation at COP 26. In previous activity reports, these expenses were considered as "operational".

2020 X 2021 COMPARISON





2021 DONORS



































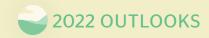






OTHER FORMS OF SUPPORT IN 2021





2022 OUTLOOKS

In the year that will be marked by the most polarized presidential election since the redemocratization of the country, the **Brazilian Coalition** will discuss development based on the land use agenda — facing deforestation, valuing the forest and its resources. Food security will also demand attention, due to increased numbers of people living in extreme poverty — more than 25 million Brazilians — and growing hunger.

The TF PES will submit proposals for regulation of Law 14.119/2021, which established the National Policy on Payment for Environmental Services. Meanwhile, the TF Bioeconomy will be dedicated to supporting public policies on the subject, encouraging the development of sustainable agricultural and forestry systems and the socioeconomic inclusion of traditional communities.

The Restoration and Reforestation Observatory, launched in 2021, will have its database restructured and will cover more initiatives for the recovery of native vegetation in the country. Experts gathered in TF Restoration also foresee the inclusion in the platform of social indicators and estimations for carbon sequestration.

The TF Silviculture of Native Species is seeking resources for the Research & Development Program aimed at fostering this economic activity in the country. It will also continue to be involved in a working group created along with the Espírito Santo state government, which aims to create a silviculture of native species hub in the state.

Within the TF Green Finance, the priority is to provide input to new public consultations of state bodies dedicated to offering credit and technologies for rural producers committed to reduce greenhouse gas emissions. The extension of rural insurance is another key agenda, considering potential risks to the agricultural sector caused by climate change.

The follow-up of legislative agendas will surround the work of several Task Forces, due to the progress of bills on land tenure regularization, forest concessions, environmental licensing and carbon market.

The implementation of the Forest Code, a law that will reach its tenth anniversary in 2022, will be encouraged by the TF with the same name, which is in constant dialogue with other movements also engaged in the matter. Based on this articulation, the **Coalition** will evaluate how it can contribute to the national debate without overlapping its activities with others that already exist.

On the international agenda, the **Coalition** will seek to increase its presence in the main environmental forums, such as the UN Conference on Biodiversity (COP 15), to be held in Kunming (China); the UN Climate Change Conference (COP 27), scheduled for November in Sharm el-Sheikh (Egypt); and Climate Week NYC, in September. The movement is also waiting for confirmation that Rio+30 will be held, in honor of the three-decade anniversary of Rio-92, the first UN convention on the environment and sustainable development.

Further initiatives may emerge throughout the year, based on the ongoing work of the Task Forces and Dialogue Forums and the national debate on the agriculture and environment agenda, leading the **Coalition** to release positions, contributions, or other measures that reinforce the strategic importance of the inclusive and green economy for the country's development.



OUR LEADERS

STRATEGIC GROUP



ANDRÉ GUIMARÃES IPAM



BETO MESQUITA BVRio and Diálogo Florestal



GUILHERME LEAL



JOÃO PAULO CAPOBIANCO IDS



JOSÉ LUCIANO PENIDO



MARCELO FURTADO ZCO2



MARCELLO BRITO CBKK



MARCOS MOLINA Marfrig Global Foods



MARINA GROSSI CEBDS



MAURÍCIO VOIVODIC WWF-Brazil



PAULO HARTUNG Ibá



RICARDO YOUNG Instituto Ethos



ROBERTO WAACK



RODRIGO CASTRO Solidaridad



SYLVIA COUTINHO UBS Brasil



TASSO AZEVEDO



WALTER SCHALKA Suzano

EXECUTIVE GROUP



CARLOS ROXO



EDUARDO BASTOS Bayer



FABIOLA ZERBINI TFA



IVONE NAMIKAWA Klabin



JULIANA DE LAVOR LOPES Amaggi



KAREN OLIVEIRA TNC



PAULO MASSI DALLARI



RENATA NOGUEIRA Cargill



RENATA PIAZZON Instituto Arapyaú



RODRIGO CASTRO Solidaridad

COFACILITATORS AND EXECUTIVE COORDINATION



JOSÉ CARLOS DA FONSECA JR Ibá and cofacilitator



RACHEL BIDERMAN CI and cofacilitator



LAURA LAMONICA Executive Coordinator



RENATO GRANDELLE Communications Coordinator



MAIARA BECKRICH Operations and Engagement Senior Analyst



JOICE OLIVEIRA Operations and Information Management Senior Analyst



OUR LEADERS

DIALOGUE FORUM AND TASK FORCE LEADERS



ALESSANDRA FAJARDO Bayer



ANA LEITE BASTOS Amata



ANDREIA BONZO Pinheiro Neto Advogados



BETO MESQUITA BVRio and Diálogo Florestal



BIANCA NAKAMATO WWF-Brazil



CLARISSA GANDOUR CPI/PUC-Rio



DIOGO BARDAL IFC



EDUARDO BASTOS Bayer



EDUARDO ROXO Atina



ERIKA PINTO IPAM



FABIANA REGUERO Amaggi



FABIOLA ZERBINI TFA



GABRIEL SIQUEIRA UNICAMP



GABRIELA SAVIAN IPAM



IVONE NAMIKAWA Klabin



JOANA CHIAVARI CPI/PUC-Rio



JOSÉ CARLOS DA FONSECA JR



JULIANA MONTI Solidaridad



JULIANA SIMÕES TNC



JULIANO ASSUNÇÃO CPI/PUC-Rio



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LUCIANA VILLA NOVA



MÁRCIO NAPPO JBS



MARIANA PEREIRA Solidaridad



MIGUEL CALMON CI



MÔNICA DIAS Suzano



PAULO BARRETO Imazon



PAULO MOUTINHO IPAM



PRISCILA MATTA Natura



RENATA NOGUEIRA Cargill



RODRIGO CIRIELLO Futuro Florestal



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RUBENS BENINI TNC



TÚLIO DIAS Agropalma



BRAZILIAN COALITION

ON CLIMATE FORESTS AND AGRICULTURE

