
**BRAZILIAN
COALITION**

ON CLIMATE,
FORESTS AND
AGRICULTURE
www.coalizaobr.com.br

1 WHAT BRINGS US TOGETHER

We are a coalition of business associations, companies, civil society organizations and individuals interested in contributing to the promotion of a new low-carbon economy that is competitive, accountable and inclusive, that strives for greater synergy among protection, conservation and sustainability initiatives in forestry, agriculture¹, mitigation and adaptation to climate change.

⁽¹⁾ *Agriculture, in the Coalition context, includes cattle ranching and agriculture activities.*

2 VISION



WE BELIEVE in promoting a competitive, **thriving and sustainable agriculture, livestock and forestry-based economy that ensures the protection, management, recovery and planting** of forests, availability of water, conservation of ecosystems and ecosystem services is essential to neutralize greenhouse gas (GHG) emissions in Brazil, strengthen its resilience and allow the country to adapt more easily to climate changes and to promote development on a sustainable basis.



TO DO SO WE HAVE ASSEMBLED A MULTI-SECTORAL ALLIANCE to promote and propose policies, initiatives and financial/economic mechanisms that will encourage agriculture, livestock raising and a forest economy capable of **propelling Brazil to the forefront of a sustainable and low-carbon economy**, which creates prosperity for all, brings about social inclusion, and generates employment and income.



THE OVERRIDING AMBITION OF THIS COALITION is that the development of this new and sustainable economy, which depends on compliance with land-use and climate change legislation will **transform challenges into opportunities** and achieve concrete progress for the forest, agriculture and climate change mitigation agendas in Brazil, aimed at:



Reducing GHG emissions in Brazil in order to ensure that, from 2020, per capita emissions is always less than or equal to the global average and lead Brazil tread the path to zero net emissions as soon as possible.



Promoting the **restoration and/or rehabilitation of all permanent preservation areas** and legal reserves according to current legislation.



Developing commercial forestry operations in degraded land areas to generate a supply of forest products for use throughout production chains, as a way to reduce pressure on native forests.



Promoting the **maintenance of Brazilian native vegetation cover** in different biomes at current levels and encouraging the forest restoration of areas classified as priority for biodiversity conservation.



Promoting the **end of forest cover net loss** and maintenance of primary forests in Brazil.



Expanding **food production, forest-based products and bioenergy** in a competitive and sustainable manner, promoting the recovery of the production capacity of degraded areas and reducing GHG emissions.



End of the deforestation and illegal logging in Brazil.



Ridding global supply chains and global production and consumption of **products originating from illegal logging and deforestation**.

VISION

- Expanding significantly the **sustainable management of native forests** and ensuring traceability and certification of public and private-sector procurement involving forest products.
- **Scaling up low-carbon agriculture practices across Brazil**, including the recovery of degraded grazing areas; integrated crop-livestock-forest systems (ICLFS) and agroforestry systems (AFS); no-till farming (NTS); biological nitrogen (N_2) fixation (BNF); utilization of agricultural waste biomass; treatment of animal waste and sustainable crop production intensification.
- Shifting the Brazilian **energy mix towards renewable and sustainable sources** with the aim of replacing fossil fuel energy sources by 2050.
- Implementing mechanisms to **price and pay for the maintenance and expansion of ecosystem** services provided by natural ecosystems and forests, including good agroforestry practices, in addition to carbon credit mechanisms that need to be improved and enhanced.
- Ensuring the **quality, timeliness and full transparency of data** on the implementation of policies on climate, forests and agriculture, and their monitoring and management tools (such as the rural environment registry, environmental regularization program, sustainable forest management plan, financing, deforestation, GHG emissions).
- Strengthening the **network of protected areas at the national level** and the effective implementation of protected areas that have already been created.
- Ensuring that the shift towards a **sustainable and low-carbon economy** will impact forests and agriculture by promoting land-use planning, social inclusion, dialogue and social protection of the communities that make up the Brazilian population, the creation of new jobs, income generation, maintenance and expansion of rural human rights, training and retraining of rural workers and farmers.

The effective implementation of the Brazil's Forest Code and the National Climate Change Policy, in addition to recognizing the importance of sustainable agriculture and standing forest conservation practices, are fundamental elements of this collective effort.

3 CONTEXT

Climate change is one of the biggest challenges facing humanity, if not the largest and the most far-reaching. This phenomenon affects us all and it can only be countered if all of society pulls together as one big community.

According to the Intergovernmental Panel on Climate Change (IPCC), to stand a reasonable chance of limiting global warming to 2°C above preindustrial levels, we must significantly reduce the global emissions of greenhouse gases (GHG) in the coming decades and seek to reduce them to zero as soon as possible.

In December 2015, the member countries of the United Nations Framework Convention on Climate Change (Climate Convention) will try to reach a new, more ambitious and effective agreement on global climate action, so as to limit global warming to 2°C.

Various business and civil society sectors are making commitments, demanding government action, mobilizing resources and implementing actions throughout the world.

4 THE ROLE OF FORESTS AND AGRICULTURE

Forests are deeply related with climate change. Deforestation, degradation and loss of forest cover account for about 10% of global GHG emissions. Forests are the largest terrestrial sink of carbon dioxide from the atmosphere, in addition to playing a strategic role in the water cycle and global climate balance. The conservation, management, restoration and planting of trees to recover areas and for commercial purposes are the most efficient ways to promote carbon capture and storage.

When economic activities linked to forest products supply chains are based on sustainable forest management they become essential players in the low-carbon economy.

Agriculture is another industry with great potential to contribute to reducing GHG emissions. However, if not done efficiently, it could contribute significantly to emissions. At the same time, it is one of the sectors most vulnerable to the effects of climate change, which become ever more evident. Curbing this sector's emissions calls for new policies and large investments to improve production techniques based on sustainable crop production intensification that contributes to increasing competitiveness and efficiency of agriculture activities in Brazil.

Appropriately managed livestock production practices are a significant opportunity to reduce GHG emissions by achieving higher efficiency levels.

Likewise, biological nitrogen fixation and other good soil management practices that have advanced greatly in recent years can reduce significantly the use of fertilizers, thus further contributing to mitigate GHG emissions.

By implementing policies that make land use more efficient, spur technological innovation and the adoption of good production practices, agriculture can become an important carbon sink and supplier of a range of ecosystem services.

5 THE BRAZILIAN SCENARIO

Brazil is among the largest economies in the world and also one of the best poised to significantly reduce GHG emissions. GHG emissions from deforestation, which accounted for 65% of all Brazilian emissions in 2005, dropped significantly in the last decade. Land use change, however, still is the largest source of gross GHG emissions in Brazil, followed by energy consumption, agriculture and industrial processes.

→ FORESTS

Brazil is home to the second largest forest area in the world.

Our country is a global leader in forest technology, both in terms of tropical forest management and forest products industry. Brazil plays an important role in the production of fibers, timber and energy from fast-growing forests.

Despite producing 8% of the round wood used in industry, Brazil's share of the global forest products market is less than 3%, concentrated primarily in hardwood pulp. The forest-based economy of native species is not relevant yet and requires policies to make it economically viable. The increased availability of forest products from the sustainable forest management of native forests and plantations is essential to prevent additional pressures of deforestation and forest degradation, in addition to increasing the use of renewable forest products or inputs by various production chains rather than non-renewable resources.

Twelve per cent of the world's forests are in Brazil, representing the largest stock of biomass (hence carbon) in the world. We have the largest protected land area on the planet. On the other hand, the vast majority of our protected areas lack effective protection and enforcement. Brazil is home to a precious asset: approximately 60% of the country's land is still covered by forests and native vegetation.

THE BRAZILIAN SCENARIO

➤ **AGRICULTURE**

Studies show that Brazil should account for a significant percentage of total food production in the world by 2050. To ensure this will be carried out in a sustainable way, it is crucial that such production growth be based on the conversion of degraded areas or sustainable crop production intensification without the need to convert forest or native vegetation, and that the productivity of these areas is significantly increased by employing low-carbon technologies and adapting crops to climate change.

Brazil has at least 20 million hectares available for restoration or reforestation. The full adoption of the Brazilian Forest Code by the agricultural sector and compliance with the provisions on legal reserve and permanent preservation areas set forth in the specific legislation will lead to significant carbon capture and storage.

Another feature of Brazilian agriculture is the large-scale production of biofuels, bioelectricity and, to a lesser extent, polymers (plastics) from biomass, a viable alternative to fossil fuels. The expansion of the sector in Brazil has not adversely affected food production. However, the market share of fuel ethanol in Brazil has dropped over the past few years, and it is crucial that the industry regains its footing to ensure its presence in our renewable energy mix.

This is the context in which the Coalition is engaging economic sectors around a competitive economy based on forest and agricultural products that is capable of leading the country towards a carbon-neutral development model as it generates income and social inclusion.

6 OUR COMMITMENT

The members of the Brazilian Coalition on Climate, Forests and Agriculture agree to:

- Organize and operate a multi-sectoral and multi-disciplinary coalition, which will be open to new members and contributors.
- Search for common ground and view differences as an opportunity to move forward and build solutions.
- Promote a transparent system and disseminate information about forests, agriculture and climate.
- Present concrete, clear and transparent proposals to society and the government to help advance climate, agricultural and forest agendas, making each sector aware of how they can effectively contribute to promoting these goals.
- Liaise and promote joint efforts with other climate, forest and agriculture initiatives in Brazil and abroad.

7 OPERATIONAL FRONTS

The Coalition will promote proposals aimed at influencing decision-making on two complementary fronts²:

- Climate Agenda 2015
- Sustainable and Low-Carbon Development Agenda for Brazil 2015-2030

CLIMATE AGENDA 2015

- Part 2 of this document presents our proposed “intended nationally determined contributions” (INDCs) for Brazil, in line with the 2°C warming limit [according to the IPCC, the chances of reaching this target are above 50% if global emissions between 2012 and 2100 are limited to 1,000 GtCO₂e].
- Propose contribution levels for the forestry and agricultural sectors directed at reaching the INDC target for Brazil and the necessary measures for its effective implementation.
- Put forward a proposal including the critical elements for Brazil to take an ambitious position under the new global climate agreement.

SUSTAINABLE AND LOW-CARBON DEVELOPMENT AGENDA FOR BRAZIL 2015-2030

- Propose an agenda and propositions concerning instruments and public policy initiatives to meet our vision (see Part 3).
- Develop, implement and spread real models and evidence of sustainable forestry and agriculture.
- Identify, understand and introduce solutions to overcome the obstacles to implementing the Sustainable and Low-Carbon Development Agenda for Brazil 2015-2030.
- Activate resources so that this agenda can be effectively pursued.

(2) This document does not yet include proposals on adaptation issues, which should be outlined at a later stage.

1 INTRODUCTION

Under the umbrella of the Climate Change Convention, negotiations taking place regarding a new global agreement will end in 2015 and come into effect as of 2020, as per the mandate established in the “Durban Platform” during the 17th Conference of the Parties (COP-17).

At COP-19, which took place in Warsaw, countries committed themselves to intensifying national efforts to establish their INDCs and communicate them before October 1, 2015—and, if possible, during the first half of the year—in order to analyze the joint impact of the mitigation contributions from the different countries before COP 21, which will take place in Paris at the end of this year. In general, INDCs represent each country's intention to contribute to the global effort to fight climate change and play a crucial role in the implementation of a new agreement³.

Within this context, the **Brazilian Coalition on Climate, Forests and Agriculture** presents its contribution to the process of elaborating the Brazilian INDC. For this, several elements were taken into account, especially the mitigation potential of the segments represented, in line with of Brazil's competitiveness in a new global economy, essential to fight climate change and ensure fair and sustainable development.

(3) Para 14 Decision. 01/CP.20.

http://unfccc.int/files/meetings/lima_dec_2014/application/pdf/auv_cop20_lima_call_for_climate_action.pdf.

2 PRINCIPLES AND NATURE OF THE CONTRIBUTION

While the Coalition initiatives encompass three areas (climate, forests and agriculture), the proposal includes a vision and general elements for the Brazilian INDC, as well as the crucial role played by forestry and agriculture. The four principles below serve as the foundation for the proposal:

- I.** Establishing a long-term perspective on global emissions, taking into account the recommendations of the IPCC 5th Assessment Report and the goal to limit the rise in global average temperature by 2°C (in other words, the climate scenarios supported by the scientific community).
- II.** Setting criteria for Brazil's fair share in the global effort to reduce emissions as required in the long term, taking into account common but differentiated responsibilities.
- III.** Proposing a rationale for setting a goal to reduce Brazil's emissions that is commensurate with its fair share and that is inspiring, proactive, challenging and attainable.
- IV.** Proposing mechanisms, elements and incentives to fulfill the principles and commitments made by the Coalition and Brazil, including the real economic value of environmental services, of carbon and of Brazilian products that are renewable or lower emission intensive.

3 LONG-TERM OUTLOOK FOR GLOBAL EMISSIONS

At COP 15, the goal of limiting the rise in global average temperature to no more than 2°C was decided.

According to the 5th IPCC Report, in order to have a two-thirds chance of limiting the rise in temperature by 2°C by the end of the century, the concentration of GHG in the atmosphere should not surpass 450 ppm (varying between 430 and 480 ppm). The safest scenarios projected by the IPCC, between 430 and 480 ppm, are associated with emission reductions estimated at 41% to 72% between 2010 and 2050, and 78% to 118% by 2100⁴.

In general, a lower reduction in emissions before 2050 would entail a much greater effort in the second part of the century, given the need for mandatory negative emissions in relation to 2010 (up to 118%), which is extremely difficult and could generate a very negative economic impact. On the other hand, efforts to achieve greater reductions by 2050 substantially increase the chances of limiting the rise in temperature to 2°C by the end of the century.

Also according to the IPCC, between 2012 and 2100, accumulated global emissions must be limited by approximately 1,000 GtCO₂e. However, if current global emission levels are maintained (a bit over 50 GtCO₂e/year), we will have reached this limit in less than 20 years, which shows we must act urgently.

Thus, to increase the chances of limiting the rise in temperature to no more than 2°C, it is essential to push global mitigation efforts toward the higher ranges recommended by the scientific community, as soon as possible.

(4) *Climate Change 2014 Synthesis Report Summary for Policymakers:*
http://www.ipcc.ch/pdf/assessment-report/ar5/syr/AR5_SYR_FINAL_SPM.pdf

4 BRAZIL'S FAIR SHARE OF MITIGATION

Taking into account the conclusions of the IPCC detailed above, global annual emissions must drop from almost 50 GtCO₂e to between 30 and 15 GtCO₂e by 2050.

Considering that the current global population of 7.2 billion people will likely reach 9.6 billion people⁵ by 2050, emission reduction per capita must drop from the current 7 tCO₂e/inhabitant to between 3 and 1.5 tCO₂e/inhabitant, since the best chance of limiting a rise in temperature to no more than 2°C is directly linked to reaching the maximum ranges of emission reduction established by the IPCC.

In 2010, the Brazilian population was 190 million, according to the IBGE (Brazilian Institute of Geography and Statistics), which projects a population of 226 million inhabitants by 2050 (already in decline and equivalent to approximately 3% of the global population). Average emissions per capita in Brazil stands at 6 and 7 tCO₂e/inhabitant, close to the global average.

Since the per capita rate of emissions involves discrepancies regarding socio-economic development levels, it is fair that less developed countries are subject to lower demands in terms of emission reduction efforts and provided more opportunities to take advantage of support mechanisms, and that developed countries are subject to stricter mitigation demands.

Therefore, given that Brazil is a middle-income country with abundant natural resources, which, on the one hand, has based its development on one of the most renewable energy mixes in the world, but, on the other hand, faces pressures to change its grid and has undergone periods of significantly higher emissions per capita than the global average, especially due to deforestation, it would be reasonable that Brazil make an effort to work toward the global average per capita emissions by 2050.

⁽⁵⁾ <http://www.unric.org/pt/actualidade/31160-relatorio-das-nacoes-unidas-estima-que-a-populacao-mundial-alcance-os-96-mil-milhoes-em-2050->

5 BRAZIL'S LEVEL OF AMBITION FOR REDUCING EMISSIONS

Considering the climate change and mitigation scenario detailed above, Brazil has a number of different ways it can leverage its natural capital assets into a new zero-carbon economy, which will have to be implemented as soon as possible, yet in this century. In this context we propose that the country present an INDC with the following characteristics:

- Shows an effective economy-wide emission reduction in the first period of commitment of the new agreement.
- Shows an effective increase in GHG emissions removal, in a clear and consistent manner with the potential of different Brazilian industries, including GHG removals in forest and agriculture activities.
- Shows a long-term commitment to achieve zero net emissions, as supported by the scientific community, in the scope of 450 ppm delimited from IPCC.
- Shows commitment to keep per capita GHG emissions below the global average by 2020.
- Shows an understanding that, in order for Brazil to reach the goals established in this document, greater ambition on mitigation requires the implementation of the following premises:
 - a.** Approval of relevant economic policies and access to real incentives, at the national and international level, which will enable the country to fulfill its commitments and transform Brazil's ambition into an opportunity for the country to increase its competitiveness.
 - b.** Implementation of national and international carbon pricing initiatives.
 - c.** The major emerging economies—currently not in Annex 1 | Parties under the Kyoto Protocol—undertake similar commitments and goals, including in the long term.
 - d.** The countries currently in Annex 1 | Parties under the Kyoto Protocol commit themselves to zero net emissions by mid-century.

A Brazilian INDC with these characteristics would undeniably contribute to the global goal of significantly reducing emissions and limiting the rise in global temperature to 2°C or less.

6 HOW FORESTRY AND AGRICULTURE SHALL CONTRIBUTE TO BRAZIL'S INDC

Given the characteristics of Brazilian GHG emissions and the opportunities to link mitigation and competitiveness, a significant GHG emissions reduction is possible within the context stated above and considering the potential support mechanisms.

The Land-use Sector, which includes forestry and agricultural activities, represents almost two-thirds of Brazilian gross GHG emissions, but it has great potential to reduce emissions and promote GHG emissions removal, even in different production chains, if it increases the use of renewable products. Next, we identify some of the main measures in forestry and agriculture to directly or indirectly reduce GHG emissions and increase GHG removal:

- Reduce deforestation and forest degradation;
- Encourage sustainable forest management;
- Encourage reforestation for economic purposes and forest restoration;
- Encourage a reduction in the use of fire;
- Eliminate the use of firewood and charcoal from deforestation and replace them with wood from reforestation or sustainable forest management;
- Encourage greater use of renewable charcoal;
- Improve the carbonization process of wood and promote the use of co-products (tar and energy cogeneration);
- Encourage the production and use of biofuels;
- Encourage recovery and rotational grazing;
- Increase precocity of herds;
- Encourage no-till farming;
- Encourage crop-livestock-forest integration, agroforestry systems and other systems that favor an increase in cattle breeding;
- Encourage biological nitrogen fixation;
- Encourage animal manure management;
- Encourage thermal power stations powered by biomass.

To increase opportunities for the forestry and agriculture sectors to contribute to reduce Brazilian GHG emissions, the **Brazilian Coalition on Climate, Forests and Agriculture** proposes a series of initiatives to be implemented by the public sector, enterprises and civil society organizations which can be found further along in this document.

Part 3



PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

In line with the vision, stated at the beginning of this document, and with the goal of contributing suggestions for Brazil's INDC and to discussions on a Brazilian mitigation agenda, in harmony with the protection, conservation and sustainable use of forests and sustainable agriculture, the Brazilian Coalition on Climate, Forests and Agriculture came up with 17 proposals, presented below, which may be expanded upon over the next few months. It is important to highlight that, for now, it has only considered mitigation topics. The adaptation agenda will be developed further down the line.

The proposals are divided into two parts. The first part refers to predominantly cross-cutting aspects, which cover items of a legal and institutional nature (Proposals 1 to 5) and proposals about mechanisms for the carbon pricing and environmental services (6 to 8). The second part refers to the predominantly thematic aspects, taking into account specific proposals for the forestry and agricultural sectors (9 to 17).

Considering that climate is a global public asset and, therefore, that there is a direct correlation between the subject and public policies and regulatory elements on a national and international level, most of the proposals refer to initiatives that imply different levels of involvement from the government and governance. Often, in this context, the proposals reflect specific demands for government action in terms of domestic and foreign policies.

Nevertheless, it should be noted that all the organizations that make up this Coalition are committed to helping in the implementation of the proposals stated, and implement or promote them directly, whenever they apply to their fields. Therefore, the Coalition wants to take part in the solutions and is committed to working with the government to implement the proposals and make them feasible, according to their respective skills and institutional capabilities, in national and international forums.

PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

➤ LEGAL/INSTITUTIONAL FRAMEWORK

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

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

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

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

Proposal 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.

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

Mechanisms for carbon pricing and ecosystem services:

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

Proposal 7: Create regulatory mechanisms that adds direct economic value to renewable energy and products, through demand pegged to nonrenewable production.

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

➤ FORESTS AND AGRICULTURE FRAMEWORK

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

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

Proposal 10: Produce an annual deforestation report.

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

Proposal 12: Create mechanisms that value good practices and environmental compliance.

PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

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

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

Proposal 15: Develop a pre-competitive program for development of native tree species silviculture to Brazil.

Proposal 16: Convert majority of agriculture in low-carbon agriculture throughout Brazil.

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

PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

LEGAL/INSTITUTIONAL FRAMEWORK

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

Strategic actions include:

- a. Ensure operations in every state and establish task forces for implementation in critical regions.
- b. Regulate, in a participatory manner, the Environmental Regularization Programs (PRAs) in every state by 2016.
- c. Draft a preparation guide for Environmental Regularization Programs.
- d. Produce a national campaign, involving governmental, private and civil society organizations to encourage and facilitate acceptance of CAR and PRA, including local corporate initiatives and public service time on television, as well as institutional public interest insertions in the media, with the aim of broadening the reach of the campaign.

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

Strategic actions include:

- a. Ensure full access and internet access to CAR and PRA data, including permission to access the location on maps and availability of data (area, municipality, type of property, etc.) for analysis, with the necessary protection of confidentiality/privacy in accordance with the law.
- b. Establish and provide transparency for a public system for the registration and transaction of compensation mechanisms for the legal reserve.
- c. Ensure monitoring of the execution of mitigation actions in the agriculture and forest sectors, with broad publicity of the respective results.
- d. Take advantage of the monitoring data to improve inventory systems for net emissions of greenhouse gas (GHG) on a national and state level.

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

Characteristics:

- a. Allow access to the public.
- b. Cover the records of all governmental agencies from every branch.
- c. Cover all public and private land, as applicable.
- d. Take advantage of electronic public records of environmental data and mapping.

PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

PROPOSAL 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.

Strategic actions should ensure:

- a.** Adequate budgetary resources are dedicated to developing the plan and adherence to implementation timetable.
- b.** The right to property and respect for the rule of law, in strict observance of national legislation.
- c.** Respect for land rights of the indigenous populations and traditional communities.
- d.** Implementation of the National Protected Areas System (Snuc).
- e.** Environmental and land tenure compliance of the agrarian reform settlements.
- f.** Legislative regulation of conditions for concession of land ownership.
- g.** Expedited processing of legitimate land titles and resolution of land conflicts.
- h.** Avoid landgrabbing.

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

Themes and characteristics:

- a.** Monitoring, management and sustainable use of tropical forests.
- b.** Reforestation of degraded areas.
- c.** Efficiency of agricultural and livestock raising practices and optimization of soil use.
- d.** Efficiency and use of forest biomass, including charcoal, as a source of renewable energy and products.
- e.** International dissemination of good practices and criteria for socio-environmental management in production activities based on land use.
- f.** Economic and institutional incentives to support cooperation.

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

- a.** Create a reference level for increasing forest stocks in Brazil, within the scope of the national REDD+ strategy, so that the mechanism can also be used for the restoration of degraded areas, Permanent Protection Areas (APP), Legal Reserve (RL) and other areas, and to expand the supply of renewable timber through forest management or reforestation projects.
- b.** Broaden the scope, fundraising and swiftness of the Amazon Fund, based on the following measures: (i) raise funds for all removals verified; (ii) incorporate the increase of stocks in the limits for fundraising; and (iii) incorporate all Brazilian biomes, both for the demonstration of removals and fundraising.
- c.** Develop Programme of activities (PoA) within the scope of the Clean Development Mechanism (CDM), on a subnational and national level, or any mechanism that may replace it in the future, with the aim of encouraging large-scale reforestation for multiple uses.

PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

- d.** Enhance international regulation, with the aim of differentiating harvesting and deforestation, and improve CDM eligibility criteria and accounting in national inventories.
- e.** Develop a proposal for alternative treatment of the matter of non-permanence of forest credits, for the purposes of CDM, within the scope of the discussions underway in the UNFCCC, with the aim of making the pricing fairer for anthropic removals and additionality.
- f.** Encourage policies and mechanisms that ensure liquidity of carbon assets, within the scope of the CDM or other market instruments, through systems that guarantee minimum purchase prices for tCO₂e, with sustainable tax effect.
- g.** Expedite approval and implementation of National REDD+ Strategy, considering the proposals above and the contributions presented by the different segments of society in the public consultation process.
- h.** Establish the mechanism already provided for in the National Policy on Climate Change of the Brazilian Market for Emissions Reduction (MBRE).

PROPOSAL 7: Create regulatory mechanisms that add direct economic value to renewable energy and products, through demand pegged to nonrenewable production.

Create a New Market Mechanism (NMM):

- a.** Determine renewability goals for the energy mix and production chains, which could be fulfilled by the organizations themselves or through purchase, by producers of fossil fuels, of certificates backed by the production of energy or renewable products, on a global scale.
- b.** Creation of a committee of specialists, to propose disciplines and procedures for the mechanism and its regulation, including eligibility criteria for renewable sources and products, applicable factors for renewability or carbon storage (based on a priori proof of renewability), mechanisms for custodianship and verification.
- c.** Propose this instrument as a New Market Mechanism within the scope of the UNFCCC.
- d.** Take advantage of experience gained from similar mechanisms already implemented in other countries.
- e.** Other mechanisms
- f.** Consider the intensity of GHG and renewability of different products in efforts for tax adjustments or in the creation of tax incentives, including countercyclical measures.
- g.** Establish a program to eliminate subsidies for fossil and nonrenewable sources, with a gradual redirection of incentives toward renewable or less GHG intensive sources, avoiding incentive distortions for long-term investment.
- h.** Substantially reduce the cost of capital for public financing instruments, including those from BNDES, for investments that promote removal or lower emissions of GHG, and create incentives so that the same occurs in the private financing system.

PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

PROPOSAL 8: Introduce global mechanisms for annual payment of ecosystem services from various biomes.

Characteristics:

- a.** Global mechanism applicable to all types of ecosystem services on the planet, based on payment for results directly to those responsible for the maintenance of the areas, whether they be public or private entities or individuals.
- b.** Establishment of a world panel of specialists, with a mandate to set annual average prices to be paid per hectare, criteria for differentiating areas and prices, as well as simplified criteria for recognition of results, based on principles listed in this proposal.
- c.** To determine average prices to be paid per hectare, simplified criteria that are easy to understand and check can be taken into consideration, such as:
 - i. scale of the areas;
 - ii. structure of the property (public, private or community areas);
 - iii. type of stock (tropical and temperate native forests, and planted forests);
 - iv. level of vulnerability (hotspots, endangered areas);
 - v. contribution to sustainable development.
- d.** Introduce a Green Tobin Tax, based on an adaptation of the original idea of the Tobin Tax, to be levied on international financial flows, as a strategic source of funding for the implementation of the mechanism, which will be combined with other types of funding.

→ FORESTS AND AGRICULTURE FRAMEWORK

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

- a.** Include all Brazilian territory, identifying deforestation, regeneration, reforestation, crops and other types of land use, on a scale appropriate to understand the dynamic on a property level.

PROPOSAL 10: Produce an annual deforestation report.

This report should include:

- a.** Identification of deforested areas, including the legal status of each area. Corrective and punitive measures adopted with a view to recuperating areas.
- b.** Authorizations issued for deforestation on a national level.
- c.** Administrative and legal proceedings initiated or ongoing, including embargoed areas. Extend the Project for Monitoring of Deforestation by Satellite (Prodes) and the Detection of Deforestation in Real Time (Deter), currently being developed by Inpe in the Amazon, to all other biomes.

PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

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

Consider the following elements:

- a.** No land regularization for owners who hold or control areas illegally deforested, which haven't been regularized through CAR, PRA and Commitment Agreements, taking into account the deadlines agreed to with environmental agencies.
- b.** Establish monetary fines that correspond to the value of the carbon emitted by the illegal conversion of land use, with a surcharge applicable for endangered biomes and hotspots.
- c.** Exclusion from access to social programs and instruments for financing or public incentives

PROPOSAL 12: Create mechanisms that value good practices and environmental compliance.

- a.** Create a whitelist of rural activities, for natural and legal persons, that proves their operations are responsible in terms of socio-environmental, fiscal and labor practices and other applicable legislation.
- b.** Determine categories and regulate activities in the rural environment that can potentially be implemented by administrative order.
- c.** Provide efficiency for the processes of analysis and authorization for suppression and use of native vegetation for those who are in compliance with the law.
- d.** Develop mechanisms for financing that facilitate and encourage compliance with the Forest Code with restoration of the legal reserve and permanent preservation areas.

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

Strategic actions include:

- a.** Restoration of 20 million hectares of permanent preservation and legal reserve areas, by 2030, prioritizing permanent preservation areas around springs.
- b.** Develop practices, methods and models to increase the sustainable economic use of legal reserve areas, as permitted by the Forest Code.
- c.** Create specific initiatives to restore forest cover, focused on multiple uses, in areas that recharge the aquifers of the water basins considered strategic by the Brazilian states.
- d.** Triple the stock of forest plantations for multiple uses, up to 20 million hectares, to ensure and increase the sustainable supply of renewable biomass for different production chains, avoiding demand for timber from illegal deforestation and encouraging the use of renewable products instead of fossil fuels and other nonrenewable sources.
- e.** Maximize the use of multilateral mechanisms (for example, REDD+ and CDM) in the implementation and maintenance of increasing forest stocks.

PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

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

Strategic actions include:

- a.** Ensure complete transparency of authorizations and monitoring of management operations for native forests.
- b.** Employ tracking technology for geo-referencing all production chains, based on the use of products from managed native forests, and their respective monitoring and inspection, at least every 5 years.
- c.** Encourage voluntary certification by FSC or Cerflor, for products originating from the sustainably managed native forests, and adopt a minimum standard for control, similar to “controlled timber” on the referred to certifications, for noncertified products.
- d.** Assign co-responsibility to purchasers of products from illegal, non-traceable sources.
- e.** After 2020, tax all products that are untraceable, at a rate of 40% of their estimated market value, before being released for sale. The amounts collected by this tax, on a state level, would be used to develop programs for sustainable reintegration in the production chain and help in the monitoring and control of illegal logging.
- f.** After 2020, all public purchases, direct and indirect, and those by organizations that receive any type of public funding, would be required to purchase traceable forest products, from harvest through the chain of custody.
- g.** Encourage private companies to require traceable forest products in their purchases.
- h.** Give preference to purchase of forest products certified by the FSC and/or Cerflor, which include a guarantee of traceability, in their bidding processes.

PROPOSAL 15: Develop a pre-competitive program for development of native tree species silviculture to Brazil.

Strategic actions include:

- a.** Develop long-term project with the aim of achieving gains in productivity for selected forests species, in order to build a robust native forest economy for the future, involving leading public universities with forest expertise, as well as forest companies and the government, taking advantage of the experience of institutional arrangements already established for exotic species.
- b.** Create incentives for the participation of companies and universities in the project, in recognition of their direct contribution to the project (whether financially or by providing expertise), including interaction with national public systems for financing and science and technology.
- c.** Determine long-term goals, of no less than 30 years, to enable the development of various generations and goals for diversity of the species involved, covering a range of regional and economic objectives.

PROPOSALS FOR THE BRAZILIAN CLIMATE CHANGE AGENDA, ON A NATIONAL AND INTERNATIONAL LEVEL

PROPOSAL 16: Convert majority of agriculture in low-carbon agriculture throughout Brazil.

Strategic actions include:

- a.** Implement a timetable that incorporates low-carbon criteria in different public instruments, including sources of financing and other incentives, for Brazilian agriculture and livestock raising, based on lessons learned from the Low Carbon Agriculture Plan (ABC Plan).
- b.** Ensure a volume of funding within the scope of the ABC Plan, including synergy with other sources and mechanisms at national and international level, to serve the growing demand for restoration of degraded areas in productive agricultural areas, and recuperation of legal reserve and permanent preservation areas.
- c.** Improve the methodology for approving credit in the ABC Plan, in order to facilitate access to financing.
- d.** Establish a national strategy for technical assistance and rural extension.
- e.** Give special attention to the implementation of low-carbon practices in family farming through special criteria for access to resources and training programs that foster competitiveness of small farms.
- f.** Develop training programs based on the transfer of agricultural technology, with a view to a general increase in productivity and the dissemination of good socio-environmental practices, that permit access to high value-added markets, using collaborative models for companies, governments, cooperatives, communities, research organizations and NGOs.
- g.** Implement tax incentive programs, including donations and sponsorship of environmental projects in the agriculture and forest sectors.

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

Strategic actions include:

- a.** Promote the establishment of a global rising minimum standard for biofuels in liquid fossil fuels, with the aim of reaching E-15 for gasoline and Biodiesel-15 by 2030, based on the attainment of intermediary levels (E-10 and B-8 by 2020), with suitable solutions to local realities and environmental governance.
- b.** Give preference to purchase of biofuels with greater potential for mitigating GHG emissions, including second and third-generation biofuels, as a policy to accelerate the development of new technologies.
- c.** Define goals for growing participation of biofuels and bioenergy (bioethanol, biodiesel, renewable charcoal and other types of biomass) in the energy mix, based on long-term policies.
- d.** Promote an increase in the production of bioenergy and biofuels in areas not previously used and in a manner aligned with the recuperation of the environment.

ANNEX 1 - PROPOSALS ADOPTED - VOLUNTARILY AND UNDER NO LEGAL OBLIGATION - BY THE BRAZILIAN COALITION ON CLIMATE, FORESTS AND AGRICULTURE

The signatory companies and organizations of the Brazilian Coalition on Climate, Forests and Agriculture pledge to:

- 1.** Comply with deadlines for implementing the Brazilian Forest Code, especially with regard to the Rural Environmental Registry and the commitments to be assumed under the Environmental Regularization Program.
- 2.** Promote compliance with the Brazilian Forest Code in their supply chain.
- 3.** Ensure there is no illegal deforestation in their production chains.
- 4.** Ensure zero net deforestation in their supply chains.
- 5.** In company purchases of native forest products, require proof that the wood is legally controlled or certified. Require guarantees of traceability for products from sustainably managed native forests, as soon as the system is introduced
- 6.** Compile inventories of greenhouse gas emissions and create action plans to mitigate these emissions.

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