Brazil’s Forest Code: Opportunities to enhance conservation value in agricultural landscapes

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Outline

1. Deforestation trends
2. Forest Code
3. Efficiency vs. fairness
4. Recommendation for ISCC
The Cerrado

- World’s largest and most biodeverse savanna
- Cradle of South America’s major watersheds
- Buffers the Amazon, teh Atlantic Forest, the Pantanal and the Caatinga
- World’s most recent breadbasket and largest agricultural frontier
Brazil's Forest Code establishes the proportion of rural land that should be maintained permanently as forest (Legal Reserves), and also prohibits the clearing of vegetation in sensitive areas – such as hilltops, steep slopes, headwaters and along river banks (Areas of Permanent Protection).
Areas of Permanent Protection (APPs) are legally-mandated areas within rural properties that must be preserved: riparian vegetation, naturally flooded areas, headwaters, steep slopes, hill tops.

Legal reserve is a legally mandated set-aside within a rural property. The legal reserve is established at 20-80%, over and above the permanent preservation area.
Creating and Capturing value with “smart” Forest Code implementation
National Park Priority Geography

Private rural properties

Environmental Services

High endemism

Indigenous Land

Priority Geography
Efficiency vs. fairness

There is sufficient unused and already deforested land in Brazil to meet demand requirements for ag commodities for the foreseeable future

22 million hectares to be restored to meet Forest Code requirements

There is a huge contingent of farmers and ranchers with a legal right to deforest

88 million hectares can still be legally deforested
How can this be resolved?

Pay farmers and ranchers to forego their legal right to deforest

Financially reward farmers and ranchers whose properties provide environmental services (e.g.: water funds in New York, São Paulo)

Create more protected areas with offset system

AND...
Opportunities for ISCC enhancements

- Create 3 tiers of certification based on the “smart implementation” of the Forest Code and beyond

Tier 1: Property has CAR
  + Property has implementation plan (PRA)

Tier 2: Tier 1 requirement
  + LR and APP are adjacent

Tier 3: Tier 2 requirement
  + properties with surplus forest capable of selling out CRAs or receiving payment for ecosystem services
THANKS!

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